



# Trinity Exploration & Production plc

## Annual Report & Accounts

For the year ended 31 December 2020

# 2020

Prolific Deltaic Reservoirs  
(Galeota Equivalent),  
outcropping at Mayaro Beach,  
East Coast, Trinidad.

Company Number: **07535869**  
Stock Code: **TRIN**

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For more information on  
Trinity Exploration & Production visit  
[trinityexploration.com](http://trinityexploration.com)

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## Company Information

Company Information



The Three Sisters,  
Columbus Bay, Trinidad  
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# 01

## INTRODUCTION

### Our Core Values



#### Behaviour

that mirrors professionalism, respect and fairness



#### Rigour

initiate thought before action



#### Purpose

fit for delivering our business goals

# Our Operating Environment



## About Trinidad & Tobago ("T&T")

T&T is officially referred to as the Republic of Trinidad and Tobago and is the southernmost island country in the Caribbean. Trinidad is located 11 km off the northeast coast of Venezuela, South America. Trinidad is well known for its wealth of hydrocarbon resources, carnival, musical styles, rich landscape of flora and fauna whilst Tobago is best known for its beautiful landscape and beaches. T&T is also part of the West Indies which is surrounded by the North Atlantic Ocean and the Caribbean Sea and are a sub-region of North America. T&T is associated with the Lesser Antilles which is one of the three major archipelagos with the other two being the Greater Antilles and the Lucayan Archipelago.

## Small Island, Big Energy Industry

T&T is one of the oldest hydrocarbon producers in the world, with commercial production dating as early as 1908. The country is also a major petrochemical hub and is the one of the world's largest exporters of ammonia, ethanol and liquefied natural gas.

T&T is ideally placed geographically to access and develop opportunities across the wider Caribbean and Latin America.

# T&T Facts



An Eco-Adventurer's Paradise with over 470 species of birds, over 600 tropical butterflies, hundreds of rivers and waterfalls.



Tobago hosts the World's oldest legally protected rainforest.



The Greatest Show in the World- T&T's Carnival is a celebration of history, culture, fashion and art all fused together to produce sensational music, sweet sounds of steel pan drums and vibrant, colourful costumes.

T&T is the birthplace of the steel pan drum and has the biggest celebration of Divali in the Western Hemisphere.



Maracas Bay is a bay with sandy beach on the island of Trinidad. It is located on the north side of the island, an hour's mountainous drive from the capital city of Port of Spain via the North Coast Road. Unlike many of the northern beaches of Trinidad, Maracas Bay is protected by a deep bay.



## 02

STRATEGIC  
REPORT

Production

**3,226**  
bopd

2019: 3,007 bopd

Adjusted EBITDA

**12.3**

USD million

2019: USD 21.8 million

Operating Profit  
Before SPT, PT,  
Impairments and  
Exceptional Items**3.0**

USD million

2019: USD 10.3 million

Cash generated from  
continuing operations**10.3**

USD million

2019: USD 15.6 million

Cash flow used in  
investing activities**6.0**

USD million

2019: USD 11.5 million

Total year-end cash

**20.2**

USD million

2019: USD 13.8 million

Note: Refer to the Financial Review  
Section 42 to 49 for additional  
information.

# How we performed in 2020

2020 was a successful year for Trinity, notwithstanding the challenging circumstances brought about by the COVID-19 pandemic, as we continued to consistently deliver safely on our operational and financial targets. Our success in delivering these results, despite the unprecedented backdrop, reflects the quality of our assets, the strength of our team, and our unrelenting focus on Health, Safety, Security and Environment ("HSSE"), operational efficiencies and innovation. This is complemented by maintaining a strong balance sheet, which is essential as we develop strategic options to meaningfully scale the business.

## Outlook

- Our asset base continues to generate positive cash flow despite the ongoing pandemic supported by a low operating break-even.
- Continued focus on pursuing profitable scale by advancing current developments both onshore and offshore, by acquisitions and via the strategic partnerships we have recently entered into.
- This strategy is aimed at pursuing further low-cost appraisal and exploration targets alongside the development of transitional energy projects such as micro Liquefied Natural Gas ("LNG"), wind and solar power.
- We proved the strength of our model during the most difficult of circumstances in 2020 and have ambitious plans to build on this during the current year and beyond.

### Total YE 2020

2C Reserves + 2P Resources*		mmstb
2P		19.55
2C		23.25
<b>Total</b>		<b>42.80</b>

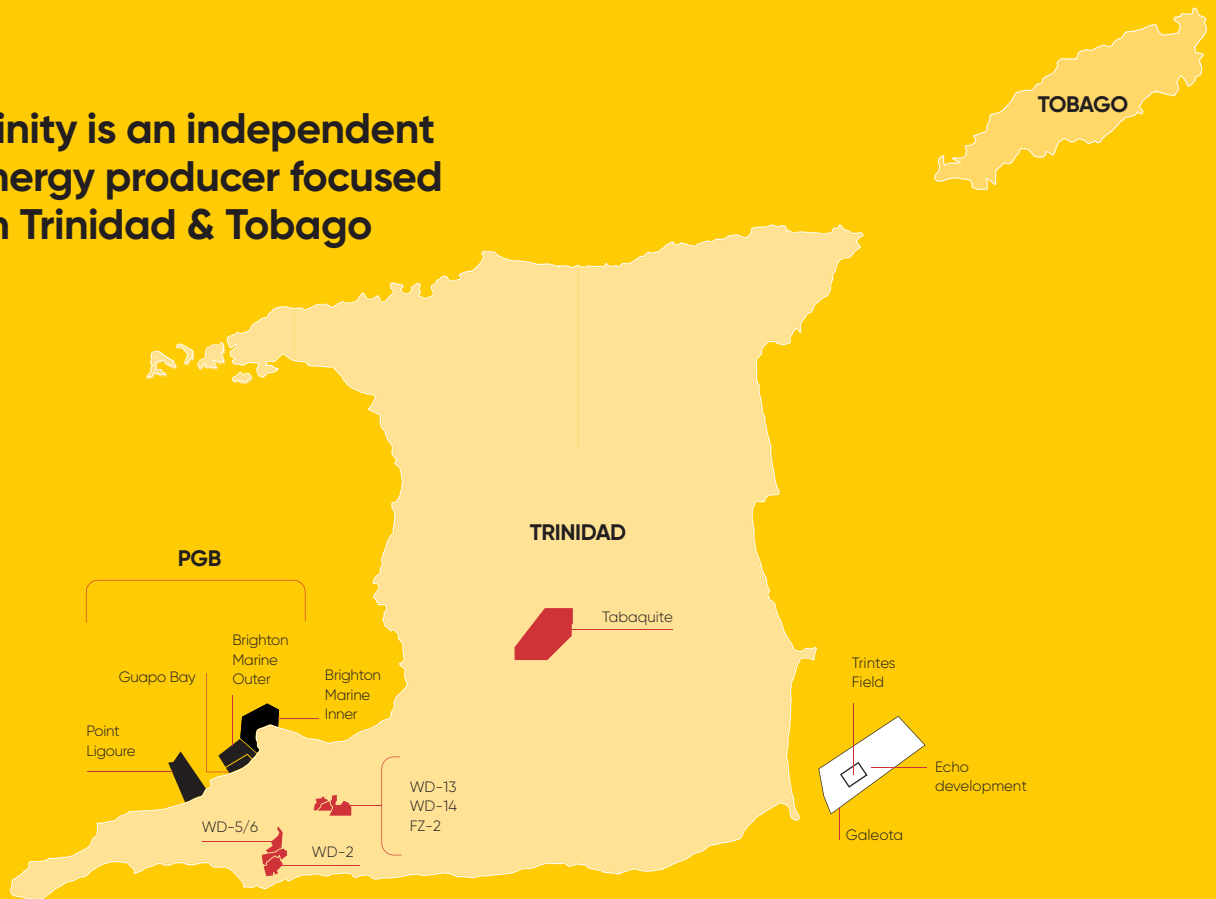
\* 2020 Management estimates for reserves and resources

● West Coast	mmstb	● Onshore	mmstb	● East Coast	mmstb
2P	2.45	2P	5.44	2P	11.66
2C	3.30	2C	4.01	2C	15.94
<b>Total</b>	<b>5.75</b>	<b>Total</b>	<b>9.45</b>	<b>Total</b>	<b>27.60</b>

Note (\*): Effective 1 December 2018 Heritage Petroleum Company Limited ("Heritage"), a T&T state-owned, oil and gas company took over ownership and rights for the Crude Oil Sales Agreements which The Petroleum Company of Trinidad and Tobago Limited ("Petrotrin") previously held with Trinity for the purchase of its crude oil production.

# Our Business

Trinity is an independent energy producer focused on Trinidad & Tobago



Asset	Agreement	Trinity	Heritage	Production	2P	2C	Exploration
<b>West Coast</b>							
PGB (Point Ligoure, Guapo Marine, Brighton Marine - Outer)		70%	30%				
BM (Brighton Marine - Inner)		100%					
<b>Onshore</b>							
FZ-2, WD-2, WD-5/6, WD-13 & WD-14		100%					
Tabaquite	<b>FO</b>	100%					
<b>East Coast</b>							
Galeota - Trintes		100%					
Galeota - Other (i.e.: TGAL/Echo)		65%	35%				

Crude oil production

**FO** Farmout Agreement ("FOA")

Joint Venture Agreement ("JOA")

Lease Operatorship Agreement ("LOA")

Offshore Infrastructure

Drilling, Recompletions ("RCPs") & Workovers ("WOs")

Field Development Plan ("FDP")

Land Infrastructure

Offshore Exploration

# A strong investment case

With almost two decades of experience in T&T, we not only understand the country, its history and its commercial and regulatory environment but we are also hugely excited by its potential to lead the energy transition journey across the wider Caribbean region. Trinity is committed to continuing to responsibly deliver energy from

the vast resources in the region for the benefit of all stakeholders. Very simply, we don't just want to be part of T&T's energy future; we want to help drive it in the right direction.

We are a forward-thinking company focused on deploying new technologies and innovative approaches to generate

increasing scale and returns from our existing assets whilst pursuing new development opportunities through acquisitions and partnerships. Our current opportunity set offers the potential to significantly scale our future production, revenue, profitability and cash flow profile for the benefit of our shareholders and other stakeholders.

## Our Key Characteristics/Who we are



### We are ideally located & local

Strategically located between Latin America and the wider Caribbean

- in a world class hydrocarbon basin.
- with a large reserves & resources base.
- spread across the onshore, offshore West Coast & offshore East Coast.
- operated by a local team – 99% staff based at core operations in T&T.
- to deliver a local oil producer of scale: 6% of total country oil production.
- having good working relationships with the Government, the National Energy Companies & the University of West Indies ("UWI" or "Regional University").
- making us natural leaders in the local energy landscape.



### We are lean & innovative

A low cost operator, with a low operating break-even

- with increasing impact from pioneering the digitalisation of our production operations.
- alongside pioneering new artificial lift techniques.
- and spearheading the deployment of high angle wells.
- as we move towards full horizontal wells onshore.
- aided by the recent acquisition of 3D data across our onshore acreage.
- offering transformational potential for our onshore operations.
- whilst being the only operators to work in partnership with the National Gas Company and the regional university via Memorandum of Understanding ("MoU") to develop renewable energy projects.



### We are diversified and aligned

A full cycle, revenue generating operator not reliant on a single reservoir or field

- with parallel activity sets (reduces production delivery risk) to increase production.
- and multiple growth pathways from within our current portfolio and from identified new opportunities.
- Our extensive use of analytics, transition technologies and automation provides a multi-pronged and scalable foundation for continued growth.
- With a partnership approach that facilitates scaling opportunities and energy transition projects underway.
- all with interests closely aligned with shareholders – the Board of Directors ("Board") and the Executive Management Team ("EMT") (together Management) ownership 22%.

## Our strategy for delivery...

### Partner for growth

As a team we partner on a regular basis with our local communities, the Government of the Republic of Trinidad & Tobago ("GORTT"), the National Oil Company ("Heritage"), the National Gas Company ("NGC"), the regional university and both local & international contractors and suppliers. In addition, we are partnering with a number of strategic players alongside whom we are bidding for new opportunities which have the potential to meaningfully scale our business.

### Be part of the future

Our team are working to more cleanly produce our existing conventional asset base via enhanced efficiency drives whilst also progressing new energy projects. Recent examples include the MoU with the NGC to pursue micro LNG and Renewables projects, and the recently signed MoU with the regional university to identify and advance Renewables projects.

### Shareholder Returns

The key to optimising shareholder returns is to invest our capital resources in the right growth initiatives, alongside the right partners. Returns can be measured both in terms of share price appreciation, and cash returns in the form of dividends and share buybacks.

**...creates a meaningful and sustainable growth pathway.**



# Executive Chairman's Report



"Trinity is the only oil operator in Trinidad to have actually grown production during 2020. This was despite no new drilling and the unprecedented challenges brought about by the COVID-19 pandemic. Why am I highlighting this? Because it is the clearest example of our culture and our Team's grit, innovative spirit and willingness to embrace the road less travelled. It hasn't always been smooth but we are a battle-tested company that has overcome many challenges to establish a strong foundation with a clear focus, and now road-map, on scaling the business. Our mission is to safely deliver meaningful and sustainable value for all our stakeholders."

**Bruce Dingwall, CBE**  
Executive Chairman

INTRODUCTION

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**ICACOS, Trinidad**  
© Aliyah Francis

ICACOS Point is the southwestern most point in Trinidad and Tobago. It is at the end of a long peninsula that forms Saint Patrick County. A channel called the Serpent's Mouth separates ICACOS Point from the coast of Venezuela, only 11 kilometers away.

# Executive Chairman's Letter to Shareholders

## Dear Fellow Shareholders,

We are writing to you about your company's 2020 activities and performance well into 2021, with the benefit of some hindsight and indeed some light at, what we hope proves to be, near the end of a tumultuous period for everyone across the world. The COVID-19 pandemic resulted in a global health crisis with sharp economic consequences including a shock fall in oil prices during the first half of 2020. However, your team is battle-tested and responded with meticulous planning and innovative flair to safely deliver our operating and financial objectives, ending 2020 as an even stronger company. This was a year of both strong performance and wider development as the Group positioned itself to achieve a step change in scale – establishing a broader opportunity set from which to grow.

## Stronger than when we started

Being able to come out of 2020 as a stronger, more innovative and strategically focused company is a testament to the mutual trust and hard work of our team of women and men in the fields and offices alike. So as we review and report on our achievements during 2020 we have to begin by acknowledging and thanking the entire Trinity team and their families for adapting incredibly quickly to the challenging conditions in which we found ourselves, and their above and beyond efforts to not only deliver but thrive in such adverse circumstances.

## Health, well-being & safety

The health, well-being and safety of our team will always be our paramount priority and we moved quickly to put measures in place to protect them, the wider community and those suppliers and contractors with whom we engage. I am proud to tell you that our response to the Pandemic was acknowledged by The American Chamber of Commerce of Trinidad and Tobago in their Business Continuity and Surviving the Pandemic 2020 awards, giving us an honourable mention among SMEs operating in the Energy and Manufacturing Sector. But we are not complacent. The ultimate reward for us will be the continued well-being of our team and the safe delivery of our operations, generating sustainable value for our shareholders and other stakeholders.

## Against the grain production growth

Production for 2020 averaged 3,226 bopd (2019: 3,007 bopd) in line with market guidance. This represents a 7% increase over the prior year despite the challenges presented by COVID-19 and no new drilling activity taking place during the year. This is the third consecutive year of delivering production growth and meeting our stipulated production targets.

## Whilst keeping focus on the bottom-line

As a business we pride ourselves on our cost efficient operations and we're delighted to have further driven down our FY2020 operating break-even to USD 20.1/bbl, meeting the challenging target set in response to the COVID-19 pandemic and being the fifth consecutive year of maintaining a sub-USD 30.0/bbl operating break-even.

While the depressed oil price impacted revenues and profits, the Group proved its resilience, with cash flows remaining strong during the period and the Group's cash balances at the year-end 2020 increasing 46% to USD 20.2 million (USD 13.8 million as at 31 December 2019).

The Group remains conscious of wider market instability, and to that end we continue to implement our hedging strategy with a view to protecting future cash flows from the prevailing macro and fiscal regimes. Importantly, the recent changes to Supplemental Petroleum Tax ("SPT") are a significant improvement for the Group and will enhance returns from our onshore operations.

## Becoming a technological leader

We continued to roll out our wellsite automation via Supervisory, Control and Data Acquisition ("SCADA") using Weatherford's ForeSite® Production Optimization Platform 4.0 which provides software and optimisation technology for real time pump monitoring and optimisation. Not only is this helping drive efficiencies and increase recovery rates, it also means that we are able to reduce carbon emissions through focused logistics and managing field operations remotely.

We see technology and data as key enablers in enhancing productivity and analysis techniques and believe that we are ahead of the curve locally, setting ourselves apart from our peers. Our focus moving forward will be to build on the proven benefits of this model.

### Transforming the growth potential of our Onshore assets

Following the recent acquisition of a 2D & 3D seismic package from Heritage, the 3D data (37km<sup>2</sup>) integration has commenced, and the subsurface team has been bolstered to accelerate the data integration and mapping process. This is the first time 3D seismic has been utilised by a lease operator in this area and offers the potential to high grade existing infill development candidates, assist in identifying high angle and horizontal well opportunities and explore the possibilities for enhanced oil recovery opportunities. The redefinition of basin fill and deformation (stratigraphy and structure) could enable the development of new plays on both a local and regional level providing the potential to build an onshore appraisal and exploration prospect inventory of scale in the near term. Given the need to complete the data integration and mapping process, we are not expecting to drill any new onshore wells during H1 2021. Decisions regarding the timing and scale of any H2 2021 drilling campaign will be taken in light of the prevailing oil price and results from analysis of the 3D data.

### Creating scale by becoming the partner of choice in the region

Our desire to further enhance Trinity's standing in the region and drive the business forward is highlighted by the steps we took to establish partnerships with significant operators, grow our portfolio and to leverage data sets and relationships - to create a roadmap for significantly increased production over the medium term.

We believe that there are excellent opportunities for us to scale up production from our existing licences by utilising new technologies, and these organic opportunities alone underpin our ambitious growth plans. However, we also want to remain well-placed and funded to pursue acquisitions and joint ventures to further scale the business.

We have established and developed relationships with a number of top-tier companies during the latest period with a view to developing existing licences and establishing a broader production and development portfolio. The fact that we are now working alongside a FTSE 250 oil & gas operator, the NGC and Heritage, reflects both our ability to attract partners of choice and to further strengthen our standing in the region.

Partnerships will be a key part of our development strategy moving forward, providing a low cost, low risk mechanism for us to build on existing projects and pursue new opportunities.

### ESG focus at the core of our forward planning

We are passionate about sustainability and reducing emissions and measure our performance not only in terms of our financial and production delivery, but also in terms of our environmental and social impact. We are committed to continuing to operate all of our assets in a safe and responsible manner, to ensure the safety of employees and to minimise the potential risk to the environment. While we have been working hard across our existing operations (notably via increasing automation), we aim to go further via our partnership with the NGC to explore and develop new energy projects. Of particular focus as part of this MoU will be the pursuit of lower carbon micro LNG production and supply. We are also excited to have recently signed an MoU with the Regional University, rated amongst the top 3% of universities globally, to work together to advance renewable projects in T&T and the wider Caribbean region.

#### Why invest in Trinity: 2021 & beyond

Very simply, we don't just want to be part of T&T's energy future, we want to help drive it in the right direction.

We are a forward-looking company focused on deploying new technologies and innovative approaches to generate increasing scale and returns from our existing assets whilst pursuing new development opportunities through acquisitions and partnerships. We believe that we have established a strong path for a step change in production, revenue, profitability and cash flow, and consequent re-rating opportunities, as the Company leverages relationships and development strategies to generate scale.

# Our Energy Marketplace

## Why Trinidad & Tobago?

T&T provides us with extensive growth opportunities, has established energy infrastructure and is also ideally placed geographically to allow us to pursue opportunities across the wider Caribbean and Latin America.

- 20 years of natural gas focus, eyes off liquids,
- giant reserve potential remains,
- playing catch-up on transition fuels & renewables.

Trinidad is one of the world's largest natural gas producers, but also has significant remaining proven, probable, possible and yet to be discovered oil reserves & resources alongside significant untapped renewables potential.

### Location Overview



### Established Basin & Infrastructure Hub

- Majors in Trinidad include BP, BHP, CNOOC, ENI, Repsol and Shell.
- Independents include privates such as Perenco and listed operators such as EOG, Star Phoenix, Touchstone and Bahamas Petroleum.
- Sophisticated local and international oilfield supply chain.
- Mature infrastructure for oil and gas operations.
- ~570,000 boepd<sup>1</sup> (90% natural gas).
- 6th largest LNG exporter in the world<sup>2</sup>.
- 3rd largest exporter of ammonia and urea in the world<sup>3</sup>.
- Highly educated workforce.
- Most established infrastructure network in the Caribbean.
- Ideally located to accelerate renewable energy infrastructure/ operations and supply throughout the Caribbean & Latin America.

### Conventional Energy

- Crude Oil: 220 million proven barrels (2018) with another 235 million plus probable & possible barrels
- A study indicated the presence of 3 billion barrels of heavy oil in the country's previously explored onshore and offshore acreage
- BUT, in-line with global trends, the larger Independent Oil Company's ("IOC's") focus is on the larger existing gas fields as they continue to rationalise their conventional portfolios globally and look to expand the energy mix within portfolios

The Larger IOC's focus on giant gas reserves therefore offers a significant opportunity for a mid-cap operator to get after stranded oil reserves.

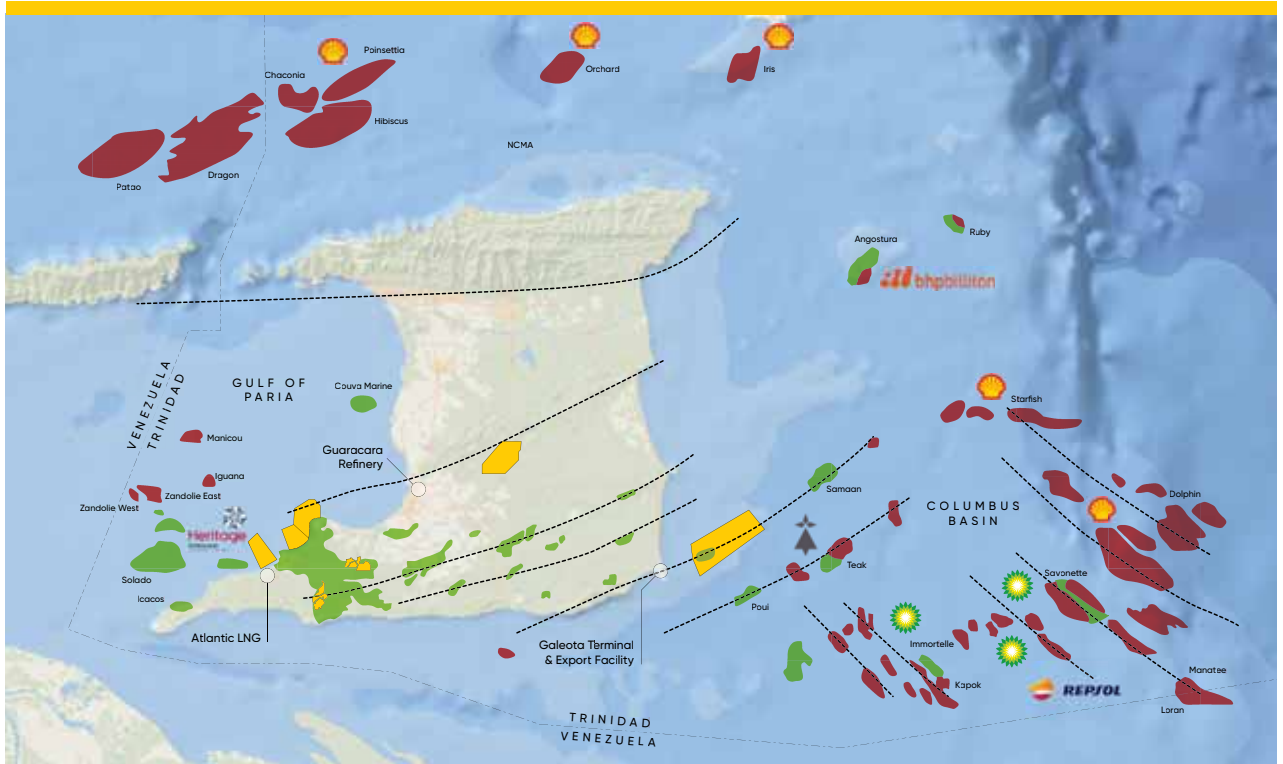
Trinity is poised to fill the mid-cap independent gap that it believes exists in T&T. With 94% of oil and gas production undertaken by 4 IOCs and the NOCs the environment is ripe for smaller sized independents to monetise reserves stranded by the IOCs.

Trinity is ideally placed to become the 3rd largest crude oil producer with the rejuvenation of the Galeota asset, a new approach to its onshore operations and its pursuit of new development and exploration opportunities.

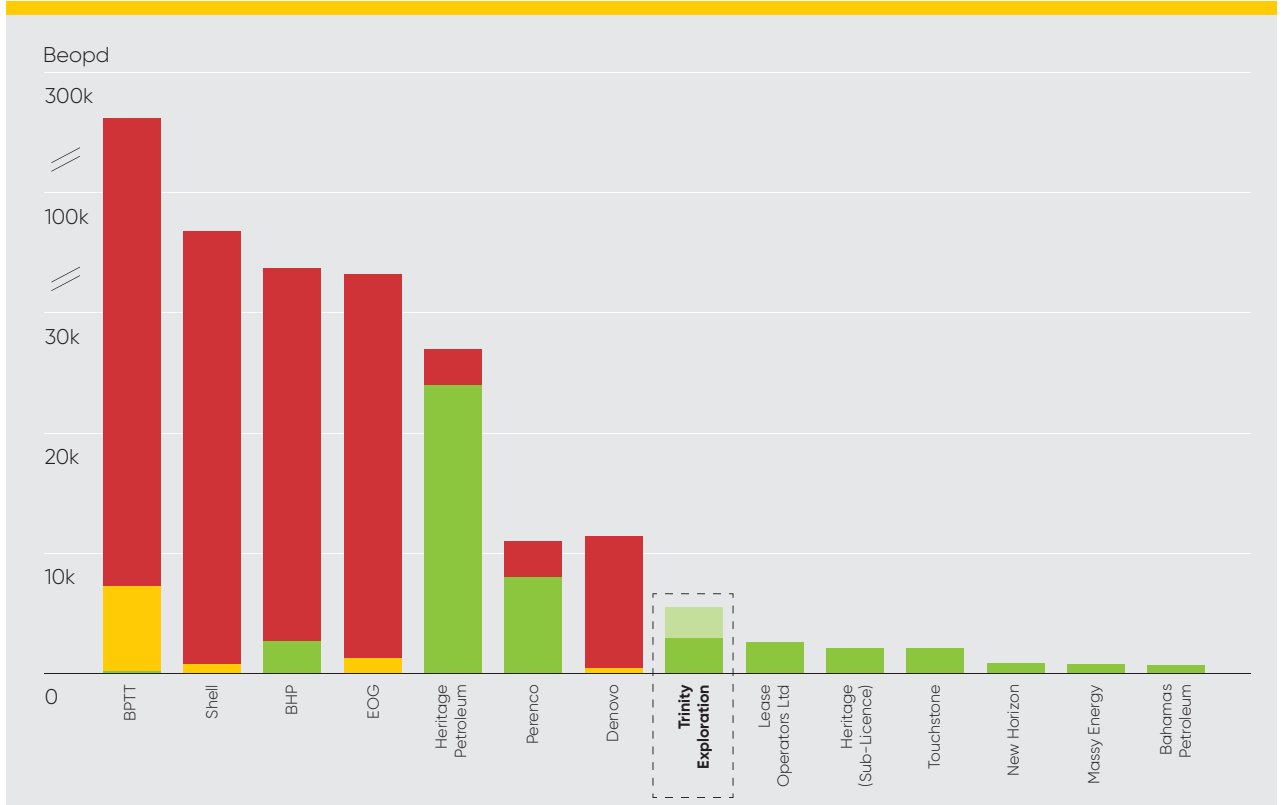
Source:

1. Ministry of Energy and Energy Industries of Trinidad & Tobago ("MEEI") (2020): [www.energy.gov.tt](http://www.energy.gov.tt)
2. LNG exporting countries (2019): [www.statista.com](http://www.statista.com)
3. Ammonia exporting countries (2018). [www.oec.world](http://www.oec.world)

T&T Oil and Gas Landscape



2020 Oil & Gas Production (Adjusted)



- Natural Gas
- Crude Oil
- Condensate
- Pending Oil Development

## Our Energy Marketplace (continued)

### Renewable Energy

With the growing popularity of small scale generation and clean energy, the opportunities in the renewable energy industry have never been better. The Trinidad & Tobago renewable energy market is expected to grow from less than 1% renewable power production currently to 20% by 2030.

#### The Global Scene

The growth of the renewables industry globally over the past two decades has been unprecedented, mainly due to an efficient collaboration between governments and the private sector. The result of this collaboration is a steep fall in the cost of renewable energy technologies, thereby making it affordable for even domestic application. The increasing concern worldwide, regarding climate change and pollution has led to various legislations and agreements, which are helping drive the growth of the renewables industry. The other major factor that is promoting the growth of renewables is the increasing need for power with population increases, alongside growing industrialisation and urbanisation, meaning the world's energy needs remain on a growth trajectory. The growing energy need cannot be fully satisfied by conventional power generation methods, and this will further facilitate the need for the renewable industry to grow.

#### The T&T/Regional Scene

Trinidad and Tobago's, like much of the wider region's, electricity generation is completely fired by fossil fuel, with c.8% (c. 237 MMcf/d/c.39,500 boepd) of its substantial natural gas production being channeled to electricity generation. In addition to this, large amounts of natural gas is flared and vented across Trinidad's brownfield operations.

Directing this gas to its power stations deprives the country of much larger potential revenues that could be gained from exporting liquefied natural gas (LNG) especially as one of only two Latin American countries to export LNG, or as feedstock for the production of petrochemicals such as ammonia and urea.

In many parts of the world, renewable energy ("RE") has been integrated in some way into local electricity grids. This has been done in several Caribbean countries, including Suriname and Jamaica. The increased utilisation of renewable energy is consistent with countries' commitment to the Paris Agreement, but also is being used as a strategy to bolster energy security and diversify sources of energy. Because of this global push, renewables share in electricity has increased from 18% in 2000 to 25% in 2018. The greatest source of renewable energy globally comes from hydropower. Note that in countries like Germany and the United Kingdom ("UK"), installed RE capacity accounted for 42% and 33% of generation capacity respectively in 2018. Costa Rica and Uruguay have systems which are close to 100% powered by renewables. (Costa Rica for over 250 days in 2016 ran entirely on renewable energy and in 2015, 98.1% of its energy came from renewables).

To this end, there has been pressure locally to reduce the amount of low priced (subsidised) gas directed towards power generation by up to 50%. In order to optimise energy efficiency it is proposed that more transition fuels and renewables could be brought into the mix, leaving more gas to be channelled to higher-value petrochemicals or LNG export.

Furthermore, T&T's relatively high CO emissions from gas-fired electricity generation highlight the country's need to adopt more efficient transition fuels and renewable energy, such as photovoltaic solar and wind power, which would also address the issue of gas shortages.

#### What's Next

The discussion surrounding T&T's transition towards renewable energy and the acknowledgement that it is a necessary step has gained traction in recent years. In June 2017 T&T hosted a two-day conference on energy efficiency and renewable energy that set out to determine the next moves to be taken by policymakers.

Following the conference, the **Sustainable Energy Roadmap and Implementation Plan 2021-30** was drawn up, financed by the EU, and presented to the MEEI in September

2017. The plan concluded that, from all the evidence gathered, **the timing was ideal for T&T to transition towards clean energy**. Adopting renewable energy would place the country among a cohort of other oil and gas-producing nations that are gradually shifting towards clean energy in hopes of utilising and maintaining their natural resources in high-value processes for the benefit of future generations. The country is now looking at implementing the necessary legislation and regulatory framework to facilitate that transition.

#### Trinity's Renewables Aspirations/Progress to Date

Our team are working to more cleanly produce our existing conventional asset base through enhanced efficiency drives whilst identifying new energy projects.

The MoU with the NGC is to explore and develop new projects to enable energy transition in T&T and, potentially, in the wider Caribbean and Latin America. This is to specifically pursue defined micro LNG projects and a range of potential renewables projects. Another example is the recently signed MoU with the Regional University to identify and advance Renewables projects.

To enhance renewable energy output, the Trinidad and Tobago Electricity Commission (T&TEC) Act, Chapter 54:70 and Regulated Industries Commission Act, Chapter 54:73 would have to be amended as these currently do not make any provisions for renewable energy production by independent power producers (IPPs). In this regard, the government of Trinidad and Tobago is seeking to provide a legislative framework for the generation of electricity based on renewable energy sources. This legislative framework would involve an amendment of the Acts which govern the Regulated Industries Commission, T&TEC and the Electrical Inspectorate Division (EID). To help inform this review, The Ministry of Energy and Energy Industries of Trinidad & Tobago ("MEEI") has collaborated with the United Nations Environment Programme (UNEP) to develop a framework for policy and legislation to govern feed-in tariffs.



# Our Strategic Objectives & Priorities

Our objective is to position Trinity as a leading independent energy producer to create meaningful and sustainable growth and enhance shareholder value whilst working closely and respectfully with all stakeholders in a safe, ethical and transparent manner.

Trinity believes its partnership ethos and initiatives to be part of the energy transition journey will optimise shareholder returns and indeed benefit all stakeholders. To achieve this, our four core strategic priorities are:

1. to retain corporate & asset Integrity;
2. to focus on Efficiency & Sustainability;
3. to Monetise our resources responsibly; and
4. to Scale our operations and thereby increase cash flows and returns.

## Strategic Priority

### 1 Retain Integrity

#### Key targets 2021

- Retain corporate & asset integrity.
- Positive relationships with regulators.
- QCA Corporate Governance Code followed.
- Behaviours, Business Ethics & Transparency.
- Strong HSSE culture & focus.
- Zero fatalities.

## Strategic Priority

### 2 Efficiency & Sustainability 3 Monetise our Resources

#### Key targets 2021

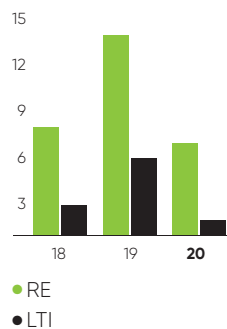
- Maintain production and positive cash flow generation.
- Maintain safe and responsible operations.
- Maintain focus on margins to keep operating BE below USD 30.0/bbl.
- Allocate investment capital towards growth projects generating attractive returns.

## Performance to date

### Governance Measures

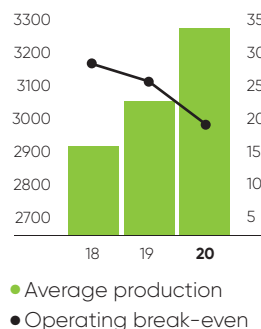
	2018	2019	2020
Regulatory enforcement actions	0	0	0
Non-compliance on behaviours, business ethics & transparency	0	0	0

### Reportable Environmental and Lost Time Incidents

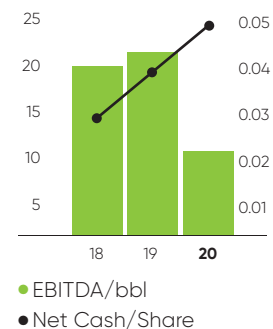


## Performance to date

### Production & Operating Break-even



### EBITDA/bbl & Net Cash/Share



## Associated principal risks

(detail on pages 50 to 57)

- Health, Safety, Security & Environment
- Major breach of business, ethical, or compliance standards

## Associated principal risks

(detail on pages 50 to 57)

- Commercial Risk – Oil Price Risk
- Production & Reserves Risk
- Development Risk
- Regulatory/Fiscal Risk
- Cash Flow & Financing Risk



Strategic Priority

4 Scale & Relevance

Key targets 2021

- Progress delivery of meaningful scale in operations across the energy spectrum.
- Allocate investment capital towards growth projects generating attractive returns.
- Review, allocate and if attractive execute value adding acquisitions.
- Identify and advance new growth projects.
- Maintain a regular and active dialogue with key stakeholders.

Associated principal risks

(detail on pages 50 to 57)

- Commercial Risk – Oil Price Risk.
- Development Risk.
- Regulatory/Fiscal Risk.
- Cash Flow & Financing Risk.

Value Catalysts

			Q1 2021	Q2 2021	Q3 2021	Q4 2021
<b>Jubilee</b> (in Evaluation Stage)	<b>Competitive bid process – offshore west coast</b> Currently 2,800 bopd, 14 mmbbls Proven, 1 billion bbls STOIP Production, re-development and greenfield	<b>Evaluation alongside a FTSE 250 oil &amp; gas operator</b> Synergies; Echo Short-listed for RFP stage, now in the data room	→	→	→	
<b>North West District (“NWD”)</b> (Evaluation to start Q2)	<b>Competitive bid process – onshore</b> Lower Tertiary and Cretaceous targets, low risk exploration	<b>Evaluation alongside a FTSE 250 oil &amp; gas operator</b> Strong local knowledge Short-listed for RFP stage, awaiting data room access		→	→	
<b>New Geological Plays</b>	<b>Internally generated</b> Early stage 3D Seismic driven	<b>Local partnership (international?)</b> Strong local knowledge	→	→	→	→
<b>Transition Fuels, Automation</b>	<b>Internally generated</b> Fuels (i.e. Micro LNG) & Power (i.e. wind) Efficiencies	<b>International and local partnership</b> Local relationships & knowledge MoUs in place with NGC & UWI to partner Pre-feasibility onshore wind study	→	→	→	→
<b>Acquisitions</b>	<b>Ongoing evaluations in traditional areas and new entry areas</b>	<b>Local relationships and knowledge</b> Acquisition of onshore PS-4 Block	→	→	→	→

## Our Strategic Objectives & Priorities (continued)

Our view is that the demand for energy, including lower emission oil, will remain strong for quite some time whilst supply will become increasingly challenged. As the Majors divert capital expenditure towards diversifying their revenue streams this is creating a supply gap that needs to be filled and presents a great opportunity for ambitious smaller independents to fill that gap.

The three pillars of Trinity's strategic approach to deliver on its strategy objectives are as follows:

1

**To deploy a partnership approach to de-risk and simultaneously deliver multiple growth pathways.**

(i.e. partnership with a FTSE 250 oil & gas operator in relation to Jubilee and North West District opportunities).

2

**To develop alternative energy sources for power generation (for internal &/or external consumption).**

(i.e. pre-feasibility onshore wind power study completed)

**and be part of the transition fuel supply chain**

(i.e. MoU in place with NGC to explore micro LNG).

3

**To deliver value to shareholders through share price appreciation and, in time, through dividends and/or share buy backs.**

As the world continues its energy transition journey, we believe this approach and these value-added initiatives will contribute towards maximising the benefits from Trinidad and Tobago's natural resources. Furthermore, this supports Trinidad and Tobago's ambitions towards lowering Green House Gas ("GHG") emissions in line with best practice and the Paris Accord.

In delivering on our strategy, it is critical to ensure that we maintain both the quality of our asset base and our capability to monetise it. The successful execution of our strategy will deliver sustainable cash generation throughout reasonable oil price cycles and preserve and optimise value for shareholders in the short, medium and

longer term. The Board believes Trinity now has a robust business model upon which to scale production growth and free cash flow accretion.

The execution of our business plan during 2020 has ensured that we are strategically well positioned to continue monetising our assets (42.8 mmbbls of 2P reserves & 2C resources with exit production c. 3,200 bopd) whilst maintaining financial strength and flexibility with USD 17.5 million in net cash balances (USD 21.7 million in cash plus working capital surplus) at 31 December 2020. This affords Trinity the opportunity to focus on investing for growth at a time when the Majors are changing focus and the energy landscape in T&T remains subject to reform and is evolving quickly.



Columbus Bay, Trinidad  
© Zaheer Mohammed



## Managing Director's Statement



"2020 was a successful year for Trinity, notwithstanding the challenging circumstances, as we continued to consistently deliver on our operational and financial targets. We not only met our production targets safely but also delivered an operating break-even below USD 30.0/bbl for the fifth consecutive year. To put this in context, over the past five years, Trinity has increased production by 27% whilst simultaneously reducing the operating break-even by 30%, resulting in a business with a robust production base and a strong and resilient margin. Our success in delivering these results, despite the unprecedented backdrop, reflects the quality of our assets, the strength of our team, and our unrelenting focus on operational efficiencies and innovation. This is complemented by maintaining a strong balance sheet, which is essential as we develop strategic options to meaningfully scale the business.

"Looking at the growth initiatives in front of us, we see opportunity in two areas. Firstly, in advancing current developments both onshore and offshore, and secondly, via the strategic partnerships we have recently entered into. This strategy is aimed at pursuing further low-cost appraisal and exploration targets alongside the development of transitional energy projects such as micro LNG, wind and solar power.

"We proved the strength of our model during the most difficult of circumstances in 2020 and have ambitious plans to build on this during the current year and beyond."

**Jeremy Bridglalsingh**  
Managing Director (MD)

## Managing Director's Statement (continued)

### COVID-19 response protocols and impact

Our principal priority at all times is the safety and health of our people. So early in 2020 we put in place a full suite of measures to achieve this including regular and updated advisories, enhanced hygiene practices, a series of practise drills and full contingency plans should any team member be exposed to the virus. Following the first confirmed case in T&T in 12 March 2020, Trinity implemented Work From Home ("WFH") practices for all but essential field operators and these are continuing to work well. All international travel has been suspended and minimal local travel to maintain well operations in the fields is being undertaken under the strict proviso of appropriate physical distancing measures being adhered to.

The Group's activities have not, during 2020, been negatively impacted by COVID-19 and have, by law, been classified an essential business and therefore we have been able to continue operations. We will continue to monitor the evolving situation and put further appropriate measures in place as and when required. Refer to the Risk Management and Internal Controls Section on page 50 to 57 for further details.

In Q2 2020, oil prices fell significantly (with WTI turning briefly negative during April) due to fears of the spread of COVID-19 and its continuing potential impact on the global demand for oil. The WTI oil price subsequently stabilised around USD 40.0/bbl before breaking upwards in the latter part of Q4 2020 and, at the time of writing, is back above USD 65.0/bbl.

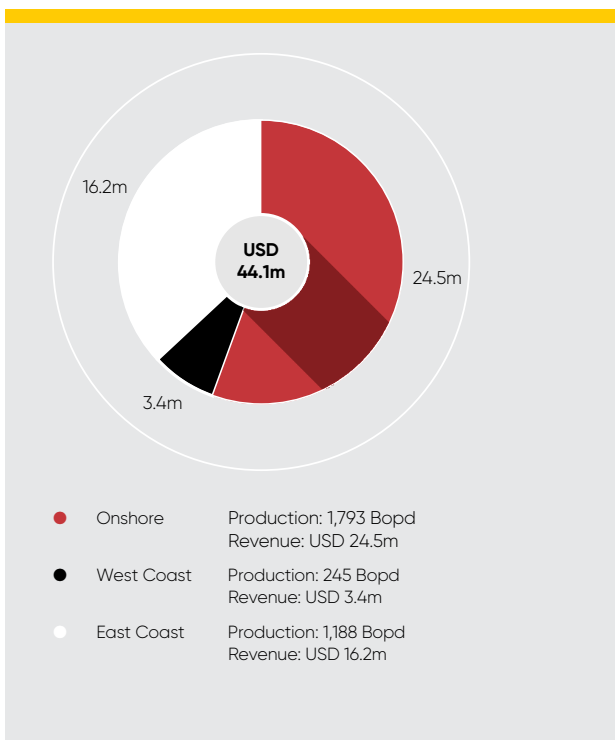
The volatile macro-environment serves to highlight the importance of Trinity's operating break-even being consistently below USD 30.0/bbl in all periods since the current Management's measures took effect in 2016. The fact that the Group continued to accrete cash at lower oil prices during 2020 is testament to our financial discipline and our lean business model putting us in a highly resilient position. That said, a protracted period of 'low oil price' realisations would start to erode cash balances. We have therefore created financial plans for the business at various oil price scenarios such that any necessary changes to the operating cost structure (Opex and G&A) would be able to be implemented quickly to preserve the integrity of the balance sheet while maintaining safe operations. We took immediate actions to manage Opex and G&A costs during 2020. This, in conjunction with only incurring essential capex focused on

asset integrity, RCPs and keeping our Galeota project moving towards FDP and FID, meant the Group ended the year stronger than it began and confident it can maintain sufficient liquidity and cash through 2021 and beyond. Refer to the Financial Review - Events since the year end on page 49 and the Directors' Report - Going Concern on pages 83 for further details.

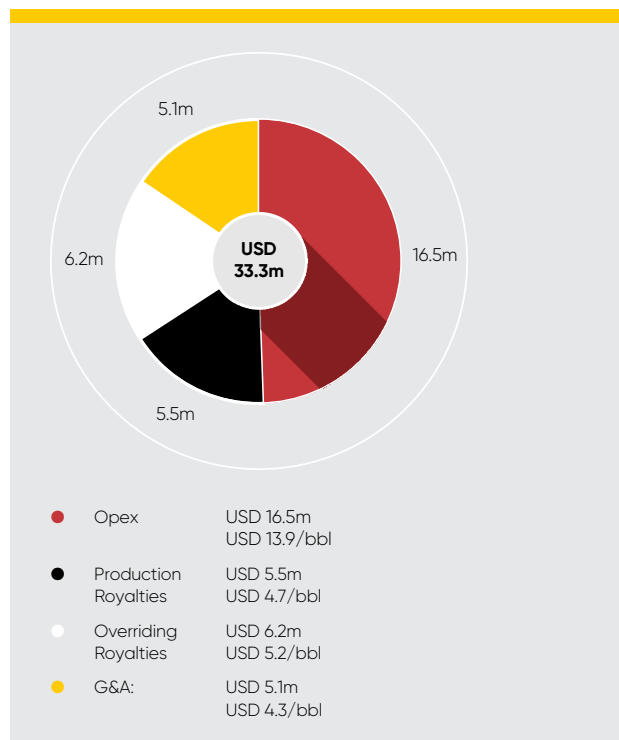
### Strong operational and financial performance despite unprecedented backdrop

2020 was a year in which Trinity clearly evidenced the strength of its operating model, proving its resilience and ability to adapt quickly due to the virus protocols, and that a strong foundation is firmly in place to support our growth aspirations. We built on our progress in 2019 when we adopted new operating practices, along with new technologies and techniques, with a view to better securing, and growing, our base production levels. The aim remains to protect against the downside, whilst yielding better and more repeatable and scalable returns on investment in the future.

#### Revenue Breakdown



#### Expenditure Breakdown



**But, it's not scale for scale's sake - with the focus remaining on growing the bottom-line**

Whilst increasing top-line production/revenues is an engine for growth, it is only effective growth if we are able to sustain and leverage the cash returns. Despite a significantly lower average realised oil price during 2020, we maintained operating profitability and cash generation by adapting quickly to the severe environment and successfully bringing our operating break-even down to its lowest ever level of USD 20.1/bbl. This further secures our position as among the lowest cost operators in the sector.

**We work hard to control what we can control**

Trinity has to adapt and respond to a number of key variables which are beyond Management's control, most notably the oil price, the regressive nature of the T&T fiscal regime (SPT specifically) and, most recently, the impact of the COVID-19 global pandemic. Trinity employs a number of operational and financial levers to mitigate against these, with a view to ensuring our operations remain sustainably and significantly free cash flow generative even in low oil price environments.

**The operating levers we are able to deploy include:**

- Reducing Production Costs, Opex/bbl and G&A/bbl, by increasing production (preserving base production levels and higher EUR reserves from new wells) and reducing costs (economies of scale and well optimisations).
- Increasing new well economics by reducing capex per well and seeking higher EUR reserves from new wells.
- Increasing initial production ("IP") rates from new wells due to an increased focus on automating wells and drilling HAWs.
- Ensuring that the commercial terms, applying across the various assets, that we operate allow us to receive an appropriate return on investment and thereby protect and grow shareholder value, in divergent oil price scenarios.

Oil Price USD/bbl	Current LOA Terms	
	Base	Enhanced
≤10.00	20.00%	17.50%
10.01 – 20.00	20.00%	17.50%
20.01 – 30.00	20.00%	17.50%
30.01 – 40.00	20.00%	17.50%
40.01 – 50.00	25.00%	17.50%
50.01 – 70.00	33.00%	17.50%
70.01 – 90.00	33.00%	17.50%
90.01 – 200.00	35.00%	22.50%

New Well Drilling Incentive	Current Terms:	
	1st Year	0%
	2nd Year	10%

The above chart outlines the current LOA terms, however these are expected to change with the imminent renewal of the licences on revised terms.

## Managing Director's Statement (continued)

The **financial levers** we are able to deploy include maintaining a strong balance sheet, an active programme of financial hedging and our substantial tax losses. Whilst SPT is not payable if oil price realisations remain below an average of USD 50.01/bbl in any calendar quarter, as was the case during 2020, we had layers of hedging in place to mitigate the impact of SPT when realisations are in its most impactful price range (USD 50.0/bbl to 56.0/bbl). Trinity took advantage of the oil price movements in January, June, July and November 2020, and again in February and March 2021, to put layers of hedging in place which were designed to protect a portion of Group cash flows between USD 50.0 to USD 56.0/bbl, thereby partially offsetting the impact of SPT, and also to provide a degree of protection against a period of lower oil prices. As a result, the Group currently has crude derivatives in place of 45,000 bbls/month for 2021 (equating to c. 45% of its 2020 exit production) and will start to receive derivatives income if Brent Crude Prices trades below USD 42.50/bbl during 2021 and USD 60.00/bbl in H1 2022.

Trinity also benefits from a large tax loss position of USD 237.2 million (YE 2020) which effectively means, from 2020 onwards, 75% of taxable profits would be sheltered from Petroleum Profits Taxes ("PPT") by brought forward losses, with any remaining tax losses continuing to be carried forward indefinitely.

The financial hedging supports our effective operational hedging strategy, centered on preserving base production and retaining flexibility with multiple options to sustain and grow production including low cost RCPs, WOs and drilling new infill wells Onshore.

### **We ended the period in a stronger position than what we started it with**

2020 year end net cash (cash minus USD 2.7 million drawn working capital facility) of USD 17.5 million as at 31 December 2020, versus USD 13.8 million as at 31 December 2019. The 27% increase in net cash balances during the year was driven by strong operating

cash flow generation and achieved despite a 35% reduction in average oil price realisations versus 2019. Refer to the Financial Review on pages 42 to 49 for further details.

### **Long pursued SPT reforms commenced**

A revised threshold for SPT for small onshore producers was announced on 5 October 2020 and implemented via The Finance Act, 2020 which became law on 4 January 2021.

As a result, the threshold at which SPT becomes due for individual producers producing less than 2,000 bopd onshore has now increased from USD 50.0/bbl to USD 75.0/bbl for the financial years 2021 and 2022. Therefore, Trinity expects to be exempt from SPT across all of its onshore licences below USD 75.0/bbl, which will have a significant positive impact on future cash flows.

- Based on current onshore production levels, Trinity estimates that SPT of c.USD 3.5 million per annum or more would previously have been payable if realisations were above USD 50.01/bbl (although this could be partially mitigated by the investment tax credits shelter).
- The confirmation of these reforms therefore represents a considerable boost to potential cash generation from Trinity's onshore licences should realisations average above USD50.01/bbl for any calendar quarter during 2021 and 2022.

We have long championed SPT reform and believe that this first step is good news for all smaller producers in Trinidad & Tobago, demonstrating clearly that the GORTT recognises that SPT is an outdated and regressive tax in need of reform. This initial change should begin to provide a greater stimulus to investment activity in the country, enabling the Group to generate increased returns and further leverage its low cost production model. The Group continues to lobby at the highest levels for further reform, with a view to obtaining a longer duration relief period and for this to apply to both onshore and mature offshore fields, thereby further enabling all smaller producers in Trinidad & Tobago to invest and grow production, for the long term benefit of all stakeholders.

### **Licence updates**

Onshore, the Company extended the term of its Lease Operatorship Agreements ("LOAs") with Heritage for its WD-2, WD-5/6, WD-13 and WD-14 blocks to 31 May 2021 with renewal expected during Q2 2021. The LOAs were originally set to expire on 31 December 2020 and have been extended under existing terms and conditions while Heritage finalise the regulatory approvals necessary for the longer term extensions and renewals for its LOA properties.

Offshore the East Coast, a more robust legal and commercial framework is also being established for Galeota, to include a new 25-year Licence, Joint Operation Agreement ("JOA"), Commercial Terms and Sales Agreement ("COSA"), each of which are expected to be finalised during Q2 2021. These new agreements will better enable future developments to be brought into production by offering potential partners and funders the appropriate visibility and comfort on the legal and commercial framework.

### **Internal Growth Pathways**

Trinity is ideally placed amongst the top five largest T&T crude oil producers and is focused on developing its reserves and resources with the medium term objective of increasing its onshore and offshore production from 2020 average production levels of 3,226 bopd to over 7,500 bopd.

### **Offshore East Coast**

Production from the Group's east coast assets (Galeota) continued to meet expectations during 2020. As well as the current production from the Trintes field, the Galeota asset also includes a series of development opportunities (Echo, Foxtrot and Golf) which are being progressed.

The Phase 1 offshore development on the Galeota licence has the potential to add additional peak production of at least 4,000 bopd on the current development concept. Work is currently ongoing on pre-Front End Engineering Design ("FEED") studies and environmental approvals as we move towards a Final Investment Decision ("FID") at the earliest opportunity. The First Phase currently contemplates the installation of a low cost eight well

conductor supported platform ("Echo"), a new pipeline from Echo to shore, with the existing Trintex platforms tied in, and "T" sections installed for the potential development of TGAL NE (Foxtrot) and Trintex SW (Golf) areas in the future. It is expected that Echo would be powered from shore (offshoot of offshore wind power cable technologies) with tiebacks to the Trintex platforms. Combined with there being no offshore power generation (i.e. no diesel and no generators) and being unmanned, the development would have a nominal carbon footprint when compared to standard offshore developments.

It is also worth noting that a large proportion of Trinity's tax loss position of USD 237.2 million (YE 2020) can be applied to the Galeota field development, which further underpins the attractive economics of the development.

#### Offshore West Coast

Production from the Group's west coast assets performed ahead of expectations during 2020 facilitated by WOs and upgrades. The Group has also focused on maturing reactivation opportunities, with ABM 151 having the potential to add c.175 bopd, and development options for existing discoveries, notably ALM 22 with 2C resources of c.3.1 mmstb and is an extension of the Jubilee/Cluster 6 developments currently on production, operated by Heritage.

#### Onshore: Well automation roll-out & wider technology drive continues

Our innovative approach to operations is at the heart of our business and as we ramp up our efficiency drives, we expect to see the real benefits come to fruition. We have established an enhanced operational management system that builds repeatability and scalability as we grow while simultaneously driving further efficiencies in terms of well uptime resulting in reduced WOs and the better allocation of human resources.

We are on track to meet our target of having 31 wells automated at our largest onshore field, WD-5/6, during H2 2021. This is expected to facilitate an increase in revenues from the field by allowing production levels to be

optimised and downtimes to be minimised. Automation is also expected to improve margins and free cash flow generation by reducing well intervention works (including workovers).

This is the first time this technology has been deployed in our Onshore fields and provides a low-cost means of protecting and enhancing base production levels with the full production benefits and operating cost savings expected to become more apparent as our top-tier onshore wells are automated. By becoming more data driven, we have a vision to digitalise the business so that we can develop analytics for our 1000+ wells (across various reservoirs which have been producing for decades) and by applying a methodical approach to better reservoir management that minimises production volatility, increases recovery factors and thereby maximises reserves extraction, further securing the business for the future.

#### Onshore: Acquisition & Integration of Seismic

The acquisition of the onshore 3D & 2D seismic package is potentially transformative for our onshore licences.

- The Onshore seismic is of good quality and initial first pass screening shows interesting prospective features
- The development, appraisal and exploration pipeline is to be augmented following 3D onshore seismic interpretation (now underway).
- The ability to accurately locate HAWs, and ultimately fully horizontal wells, is greatly enhanced by the use of 3D seismic data.
- HAWs could be expected to yield IP rates and reserves of over 2x those from conventional vertical wells, whilst fully horizontal wells commonly deployed globally can yield rates 4x to 6x higher than vertical wells.



### New Growth Pathways

Asset acquisitions and partnerships offer the potential to increase scale, share risk and drive returns to shareholders.

#### Pursuing New Projects alongside NGC and the Regional University

A Memorandum of understanding ("MOU") was signed with the NGC, to explore and develop new projects to enable energy transition in T&T and, potentially, in the wider Caribbean and Latin America, including;

- A Micro Liquefied Natural Gas ("micro LNG") business;
- Renewable energy opportunities, inclusive of a wind power generation project;
- Pursuit of stranded gas assets and associated opportunities in existing Trinity assets; and
- Pursuit of other mutually beneficial business opportunities.

A MOU was also more recently signed with the Regional University, to collaborate across a range of business initiatives to explore and potentially develop new projects in areas of mutual interest and for the benefit of Trinidad, the wider Caribbean and beyond, including;

- Renewable energy opportunities, inclusive of a wind power generation project; and
- Pursuit of any other opportunities, renewables or otherwise, which may be mutually beneficial.

#### Pursuing New Projects alongside a larger international operator

A partnership has been formed with a FTSE 250 oil & gas operator to evaluate two potential new projects:

- 1) a material offshore Gulf of Paria production and development asset (Jubilee).
- 2) a potentially high impact onshore exploration play (North West District).

**The Common Black Hawk**

© Zaheer Mohammed

An aptly-named entirely black hawk with broad wings and short tail with a distinct white band. Typically found in woodlands near water where it hunts; shows an affinity for cottonwood trees at the northern end of its range. These are native to Central America and to the northern region of South America. These birds have migrated and also inhabit Trinidad & Tobago and Barbados.





## Managing Director's Statement (continued)

### Jubilee Process

- The consortium have been granted access to the data room for the Jubilee Field evaluation which forms the next stage of the bid process.
- Trinity and its partner are one of only a limited number of groups to have been granted access to the data room in order to evaluate and potentially prepare and submit a development proposal.
- Trinity is hopeful that a successful bid on Jubilee would add significant value to the Company. Jubilee is a rare example of a sizeable producing field with significant undeveloped reserves.
- Current production from the area subject to the bid is c. 2,800 bopd from 26 wells but the field has approximately 1 billion bbls of estimated oil in place and 14 million barrels of proven heavy oil reserves.
- The bid area is part of the giant Trinmar group of fields that has produced over 750 million barrels of oil to date and is located adjacent to the Group's West Coast assets in the shallow water area between Trinidad and Eastern Venezuela.

### NWD Expression of Interest (EOI)

Trinity and Cairn Energy have submitted a joint EOI for the potentially high impact onshore exploration play in the NWD of Trinidad. The NWD is located to the southwest of Trinidad within the western segment of the Southern Basin geologic province with stratigraphy ranges from the Cretaceous through to recent deposits. The NWD contains a number of low-risk Tertiary and Cretaceous targets and is situated on trend with the giant turbidite and basin-floor fan oil discoveries offshore Guyana and Suriname.

The consortium have been short-listed for the next stage of the bid process and are expecting to access the data room during Q2 2021.

### Acquisitions

Our robust financial strength compared to many of our peers, where operating break-evens are higher and finances are potentially more constrained, means that Trinity is well placed to take advantage of commercial opportunities as and when they arise. The recent acquisition of the PS-4 Block Lease Operatorship Sub-Licence, onshore Trinidad, demonstrates our ability to bolt on assets when we foresee upside potential alongside significant technical, operational and financial synergies to leverage value.

### Approach to ESG

Our approach to good Environmental, Social and Governance ("ESG") practices is more than just 'box ticking'. Very simply, we firmly believe that doing the right things for the right environmental 'and' commercial reasons leads to the best outcome for shareholders and the holistic ecosystem that contributes to this outcome. What does that mean from a practical standpoint?

- Pursuing more sustainable environmental/lower carbon alternative energy sources for power generation, i.e. renewable power, transition fuels, to generate more energy with a low carbon footprint;
- Proactive adoption of social solutions (i.e. WFH, protocols, healthcare provision, wellness programmes, community engagement);
- Whilst simultaneously aiming to reduce our costs and appeal to a wider shareholder and partner base; and
- To help reduce our cost of capital and provide a sustainable growth trajectory.

See ESG discussion on pages 38 to 40 for more details.

### Stakeholder Statement

The Board remains confident that the successful execution of our strategy can deliver sustained operations throughout oil price cycles and thus preserve and optimise value for shareholders in 2021 and beyond. In 2020, we continued to build a robust business capable of delivering sustainable growth in shareholder value.

On behalf of the Board, we must thank all our staff and suppliers for their diligence, commitment and support which has allowed Trinity to focus on growth whilst maintaining a safe working environment. The Board would additionally like to take this opportunity to thank shareholders and other stakeholders, notably Heritage, the MEEI and the Board of Inland Revenue ("BIR"), for their support as we move forward strongly positioned to add value from future opportunities in the changing environment in T&T.

**Bruce Dingwall, CBE**  
Executive Chairman

**Jeremy Bridglingsingh**  
Managing Director

17 May 2021

## COVID-19 Statement



**Kevin Singh**  
HSSE Team Leader

**Q How did Trinity respond to COVID-19?**

**A** We quickly put in place a full suite of measures including regular and updated advisories, enhanced hygiene practices, practice drills and full contingency plans should any team member be exposed to the virus.

In March 2020 we also put in place WFH practices for all but essential field operators, all international travel has been suspended and minimal local travel to maintain well operations is being undertaken under the strict proviso of appropriate physical distancing measures.



**Nicholas Ali**  
Production Unit Leader - Land

**Q How did Trinity manage to grow production despite COVID-19?**

**A** As a team we have had to adapt to extreme challenges in the past and I'm proud to report that they not only adapted but stepped up during the current adversity to deliver on our base management plan.

We are very fortunate to have strong relationships with our partners and suppliers whose safety was at the core of our contingency planning.



**Denva Seepersad**  
Financial Controller

**Q How did COVID-19 impact Trinity's capital allocation?**

**A** As a precautionary measure we drew down on our small working capital facility early in the pandemic. However, given other measures (including undertaking only essential capex, managing Opex and G&A spend), and by actually growing production we ended the year in a stronger position than which we started it.



**Rhisha Heeralal**  
Human Resources Team Leader

**Q How has Trinity supported employees and local communities throughout the pandemic?**

**A** Alongside the WFH protocols we have healthcare provision, initiated a Teams Steps Challenge, a Wellness Programme and regular online social sessions. We delivered food parcels to local communities, provided school supplies to 75 students in the Galeota community and sponsor local school programmes.



**Kalifa Campbell**  
Production Unit Leader - East Coast

**Q How have operations been impacted by COVID-19?**

**A** The Group's active operations have not, during 2020 been negatively impacted with operations continuing. We will continue to monitor the evolving situation and put further appropriate measures in place as and when required.



**Makesi Jones**  
Supply Chain Team Leader

**Q Will this impact Trinity's future strategy and has it presented opportunities for the Company?**

**A** It has compounded our confidence in being able to pursue growth whilst retaining our strong core cash generative operations.

Whilst we have been fortunate in our preparedness for the pandemic and oil price volatility others may not have been. We could therefore see acquisition opportunities arising.

## Operations



Rigorous approach to health protocols, appropriate distancing, regular testing and only essential travel.

Read more about our response to COVID-19 on page 18.

## Local Community



We not only operate amongst the community, this is our home, we live here and will continue to support our fellow citizens.

Read more about our response to COVID-19 on pages 18 to 25.

## New Project Delivery

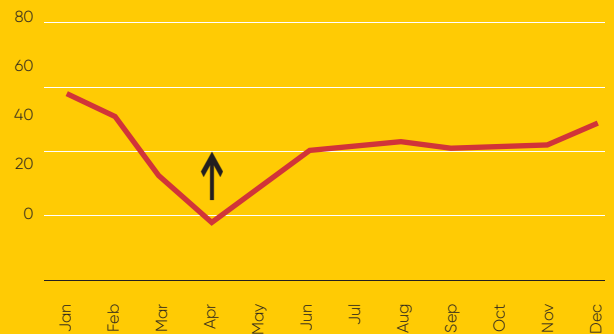


Whilst COVID-19 presented challenges and some delays we successfully progressed existing and established new projects.

Read more about our general approach on page 21.

## Markets

2020 WTI Crude Prices  
USD/bbl



Despite a very volatile oil price market backdrop during 2020 our performance operationally and financially remained robust.

Read more on page 18.



### The La Brea Pitch Lake, Trinidad

© Zaheer Mohammed

A destination of amazement and mystery, the T&T Pitch Lake is the largest natural deposit of asphalt in the world. It is the largest commercial deposit of natural asphalt in the world – one of only three in known existence – and holds approximately 10 million tonnes of asphalt.

In 1857 the first historic oil well in the world was drilled in south-west Trinidad in the vicinity of the Pitch Lake by the American Merrimac Company.

Trinity's West Coast Assets (PGB & BM) are located c. 2km from this wonder of the world based in south-western Trinidad.



# Our Business Model

Our Business Model is designed to enable Trinity to deliver our strategy whilst working closely and respectfully with all stakeholders in an ethical and transparent manner.

We strive to ensure our business can endure uncertainties and grow value throughout oil price cycles and changes to the macro-environment by Operating Safely & Responsibly, Persevering & Innovating and focusing on Financial & Capital Efficiency.

## 2021: Outlook & Roadmap to Delivery



# Operational Review

## Production

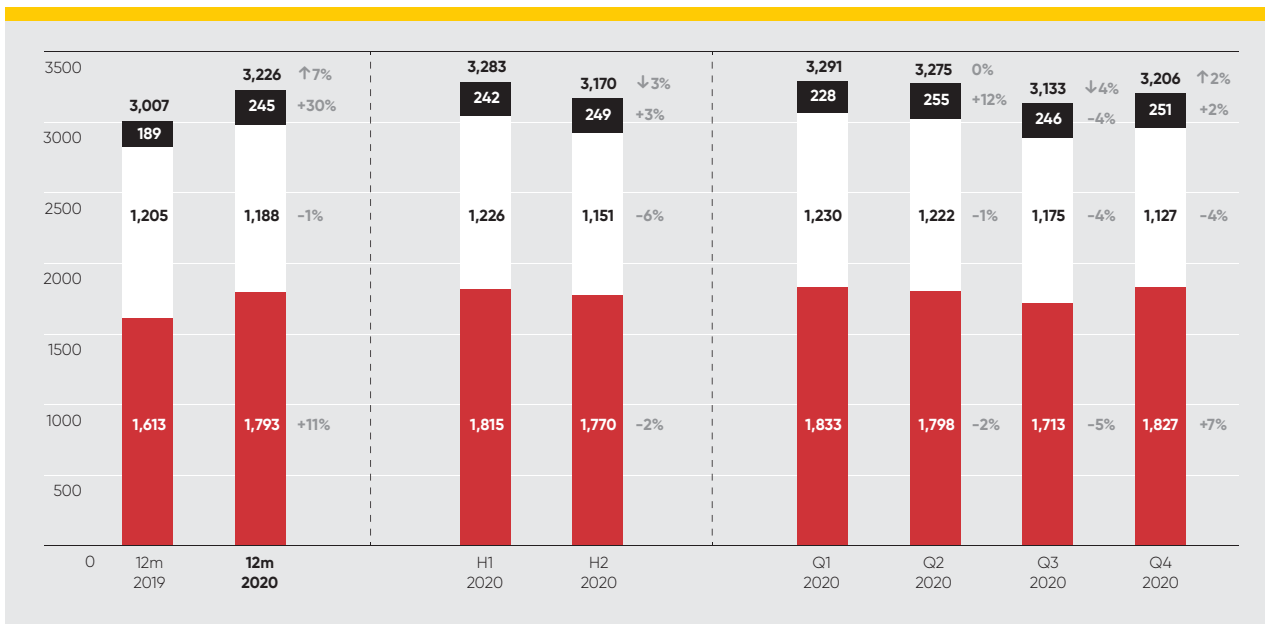
“Our Teams’ drive for continuous improvement was central to dealing with the unprecedented challenges during 2020, implementing timely measures to safely navigate and deliver on our targets within budget.”

**Rajesh Rajpaulsingh**  
Chief Operations Officer (COO)



In 2020 average net production was 3,226 bopd (2019: 3,007 bopd), an increase of 7%. The Group managed to grow production despite no new drilling taking place during the year, the challenges resulting from a suppressed oil price and the COVID-19 pandemic. In addition, production increased during Q4 providing a strong start to 2021.

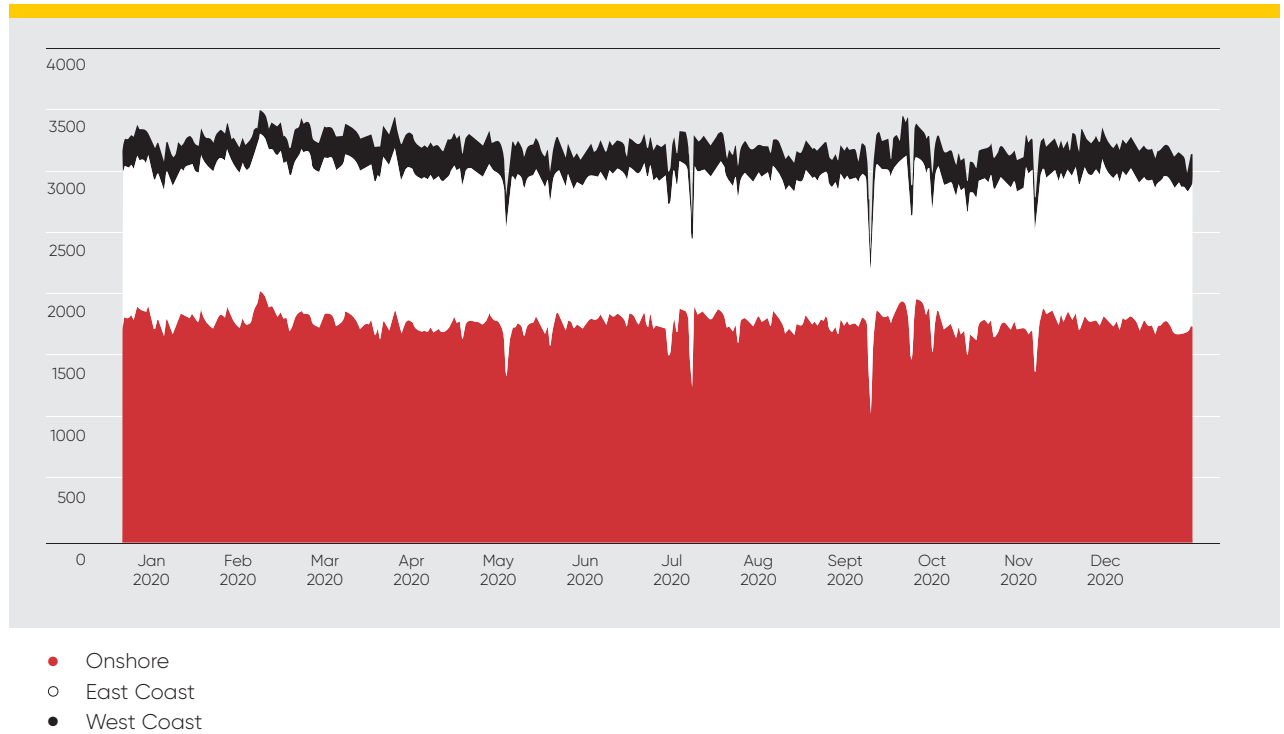
2020 vs 2019 Annual Production and 2020 Half Year & Quarterly Breakdown (bopd)



- Onshore
- East Coast
- West Coast

The 2020 daily production volume chart below illustrates the stability across each of the assets by location.

**Reported Production 2020 (bopd)**



**Onshore Assets**



Current onshore production is from Lease Operatorship Blocks: FZ-2, WD-2, WD-5/6, WD-13, WD-14 and Farmout Block, Tabaquite.

Average 2020 net production from the onshore assets was 1,793 bopd (an 11% increase from 2019: 1,613 bopd), which accounted for 56% of the total annual average production. This significant growth in the year on year production is a direct result of the performance of the 2020 RCP campaign, reduced downtimes facilitated by more-active well management, improved swabbing, reactivations and numerous other production initiatives undertaken in the year.

In 2020, production continued to benefit from the contribution of the 2018/19 infill drilling programme. Furthermore, Trinity has developed a tactical multi-disciplinary team to manage the delivery of these development wells, using best in class models, which in turn helps to ensure they deliver the best economic returns. As such, best in class models were developed to economically maximise well deliverability. This would have pointed to the execution of two RCPs which yielded positive results, enhancing the team's confidence in the productivity of the Lower Forest sands.

## Operational Review (continued)

Trinity executed 16 RCPs Onshore for the period (2019: 22) as well as 94 WOs (2019: 104). This intensive work campaign successfully maintained base production and provides a stable platform for future production growth. The continued reduction in WO frequency is a testament to the teams drive to reduce pump failure frequency and optimise operating efficiency.

Over the period the team particularly targeted the stabilisation and optimisation of its largest onshore field, WD-5/6 Block. Focus teams were established to ensure quicker responses to offline wells and drive the redesign of operating thresholds to combat declines.

In 2021, the team intends to explore further cost-effective means of production maintenance through the expansion of the active well stock via RCPs, reactivations and swabbing. Furthermore, the automation roll-out is moving ahead at pace and we remain on target to have 31 new Tier-1 well systems in place by H2 2021.

### Automation: A key aspect of our well management system

The positive results recorded to date provides confidence in being able to deliver our objectives for the WD-5/6 Block:

- to stabilise 85% of the Block's production via increased well uptimes.
- to reduce the number of WOs by employing 24/7 remote well surveillance.
- to build capacity through increased operational field efficiencies and productivity.
- to reduce the carbon footprint with less workovers and wellsite visits.
- to manage well performance with the use of real time data.

The use of Weatherford's Foresite Well Optimization platform will support our well management system to manage wells by exception, remotely optimise well performance, and to alert teams for earlier well responses and avert possible premature well failures.

Preparations for the execution of our next infill development campaign are underway. We expect to drill a combination of vertical and horizontal

wells, with the timings and location selection dependent on the findings of the on-going 3D seismic data review across our onshore acreage.

### New sub-surface models – building low risk exploration & development inventory with best in class partnerships

With the 3D seismic data (37km<sup>2</sup>) now acquired we have accelerated its integration and interpretation to:

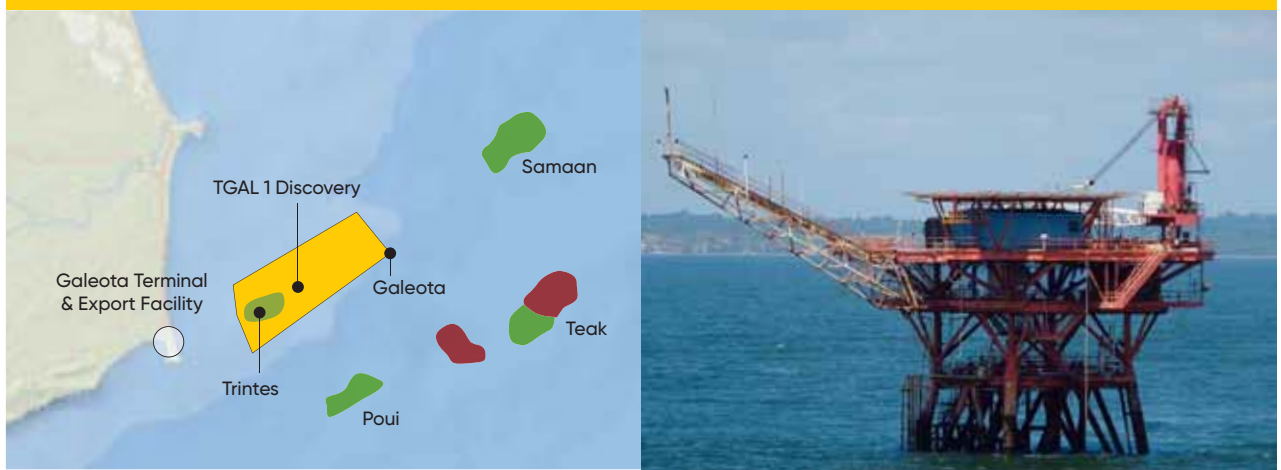
- high grade current drilling locations (HAW/horizontal candidates/well trajectories =>higher IP's and reserves/well).
- to look at enhanced oil recovery projects.
- to generate new appraisal/ exploration prospects.

This is the first time high quality 3D seismic data has been utilised by a lease operator in this area. The analysis will enable Trinity to redefine basin fill & deformation (stratigraphy & structure) as well as assisting the development of new plays at a local and regional level. As well as targeting deeper (traditional) targets, two teams are working to accelerate the data interpretation of non-traditional plays and targets.





## East Coast Assets



Current East Coast production is from the Alpha, Bravo and Delta platforms in the Trintes Field which resides within the Galeota Block.

Average 2020 net production from the East Coast was 1,188 bopd (2019: 1,205) which accounted for 37% of the Group's total with production levels broadly maintained from the prior year. To achieve this, the team conducted 16 restorative WOs (2019: 13) and 4 well reactivations to underpin production. With the focus being placed on operational intelligence during optimisation and troubleshooting activity, minimal wellbore interventions were required on our high-volume ESP wells.

Throughout 2020, the team retained focus on the management and maintenance of all critical assets in the field. The positive performance indicators experienced in power reliability and operational efficiency are reflected in the field's low production volatility. Trinity's ability to effectively and economically manage these mature assets is a testament to a series of innovative solutions which form the foundation to our approach on all our projects.

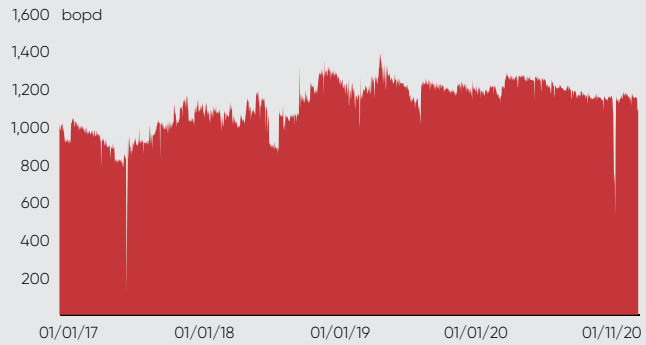
### Facilities Management

In 2020, the Facilities team continued to execute a robust plan aimed at improving facility integrity and equipment reliability. The maintenance plan for the Trintes cranes was revised to capitalise on the competencies of the team and to deliver more frequent scheduled preventative maintenance activities. The benefit of this approach was that the cranes were able to be recertified without delays, with no downtime and at a reduced cost.

Of the 33 projects progressed during 2020 25 were completed with 7 continuing into 2021. Most projects continued to focus on welfare, structural and operational reliability. Of note was the construction of a new 10,000 bbls tank in the Trintes asset which commenced in October 2020 and is well on its way to completion (targeted for Q4 2021). This tank will bring additional storage capacity and operational flexibility to the Trintes operations ensuring tank certification compliance without disruption to production.

### Trintes Case Study in Well Management

During 2020, continued focus was placed on improving production assurance of the asset. The team was able to replace production manifolds across two of its three operating facilities with minimal production interruption. This modified design has enabled detailed nodal analysis and pointed optimisation strategies. Ongoing investment into increasing storage capacity continues with the construction of a new 10,000 bbls sales tank.



#### What did we do?

- Better Electrical Submersible Pump ("ESP") run life (from 2.5 years to >8 years).
  - Stabilised power supply.
  - Introduced scale inhibitor treatment.
  - Improve Artificial Lift Design.
  - Precision monitoring and improved operational oversight.
- Made our 'big' wells automated and 'tuned' to inflow performance.
- Re-activated more wells (added 16 more wells).
- Used onshore (Sucker Rod Pump) technology on low producers via use of MPHU (Mechanical Hydraulic Pumping Unit).

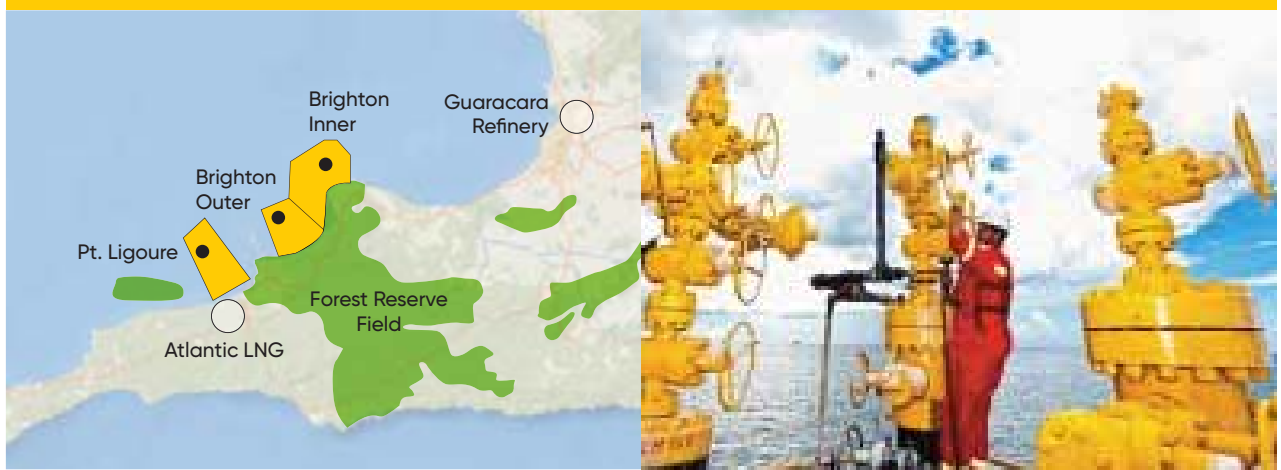
#### What were the results?

- Production increase of 20% from 1,000 bopd (high volatility) to over 1,200 bopd (low volatility).
- Production volatility reduced dramatically; 12m trailing volatility: 31 December 2017 11.4% to 31 December 2020 at 4.6%.

#### What does this mean?

- More cash generative barrels produced.
- Increasing roll-out of SCADA units and wider scale automation on higher margin Onshore expected to deliver meaningful uplift to top and bottom-line.

## West Coast Assets



West coast production is from the Point Ligoure–Guapo Bay–Brighton Marine (“PGB”) and Brighton Marine (“BM”) fields.

Average 2020 net production from the West coast was 245 bopd which accounted for 8% of the Group’s total annual average production. This represents a 30% increase in production from 2019 average levels of 189 bopd. The step change in production was delivered through targeted production and infrastructural initiatives.

On the PGB asset production increases were realised through the modification of the surface equipment allowing for the optimisation of the wells operating parameters. No RCPs or WOs (2019: 4) were conducted in the PGB block asset for the period.

A multifaceted approach was utilised on the management of the BM asset ensuring that safety, logistical efficiency and infrastructural integrity remained paramount. These attributes coupled with an adequately resourced team, modified operational strategies and the inclusion of a second swab unit led to 21% production growth across the asset. The work programme entailed 2 RCPs (2019: nil) along with 1 WO (2019: 1) being conducted on the land-based wells in the Brighton field.

The team continues to explore multiple opportunities to achieve optimal production from all offshore platforms in this asset along with expansion of the land-based wells via RCPs, reactivations and swabbing activities.

## Operational Review (continued)

### Reserves and Resources

A comprehensive management review of all assets has been concluded and has estimated the current 2P reserves to be 19.55 mmstb at the end of 2020, compared to the year-end 2019 reserve estimate of 20.94 mmstb. This represents a 6.6% decrease year-on-year from 2019. The reduction in reserves of -1.39 mmstb predominantly reflects 2020 production of 1.18mmstb together with the application of the oil price forward curve prevailing at 2 January 2021, as well as updated well numbers and decline curve analysis on planned infills and producing wells onshore and offshore the East Coast.

WTI Forward Price Deck applied to Reserves Economic Limit Testing ("ELT") from Britannic Trading LLC as at 2 January 2021

(USD/bbl)	2021	2022	2023	2024	2025	2026	2027	2028
Price Strip	49.30	47.13	45.75	44.90	44.51	44.45	44.80	44.80

Management considers the reserves and resources presented herein to represent the best estimate as at 31 December 2020 of the quantity of reserves that will actually be recovered from the assets. It represents production which is commercially recoverable, either to licence/relevant permitted extension end or earlier via the application of the economic limit test. The subsurface review has defined investment programmes and constituent drilling targets to commercialise these reserves as detailed by asset area in the following table:

### Unaudited 2020 2P Reserves

	31 December 2019 mmstb	Production mmstb	Revisions mmstb	31 December 2020 mmstb
Net Oil Production				
<b>Asset</b>				
Onshore	7.43	(0.66)	(1.34)	<b>5.44</b>
East Coast	11.27	(0.44)	0.83	<b>11.66</b>
West Coast	2.24	(0.09)	0.30	<b>2.45</b>
<b>Total</b>	<b>20.94</b>	<b>(1.18)</b>	<b>(0.21)</b>	<b>19.55</b>

Note (\*):

- Onshore 2P reserves decreased due to production of 0.66 mmstb during 2020 and by 1.34 mmstb largely as a result of the lower applied forward oil price strip and a downward revision in decline curve analysis of producing wells which has been re-classified as 2C resources.
- East Coast and West Coast 2P reserve changes primarily reflects increased well production performance and the positive revision of infill well decline profiles.
- Across the portfolio Trinity has further risked the production profiles to reflect reservoir performance from more recent drills, RCPs and WOs which resulted in a more cautious assessment of initial flow rates and production profile declines.

Management's best estimate of 2C resources as at 31 December 2020 is 23.25 mmstb (2019: 20.13 mmstb). The positive movement of 3.12 mmstb in 2C resources primarily reflects the re-categorisation of some infill development drilling locations to 2C (previously carried as 2P in 2019) and the allocation of the ALM22 discovery (+2.17mmstb) also provided a significant uplift to 2C across the West Coast asset as a result of revised subsurface work across the PBG asset in 2020.

### Management's Estimate of 2C Resources as at 31 December 2020

Asset	31 December 2019 mmstb	Revisions mmstb	31 December 2020 mmstb
Onshore	1.85	2.16	<b>4.01</b>
East Coast	17.28	(1.34)	<b>15.94</b>
West Coast	1.00	2.30	<b>3.30</b>
<b>Total</b>	<b>20.13</b>	<b>3.12</b>	<b>23.25</b>

**Management's Estimate of Reserves and Resources as at 31 December 2020**

Asset	2020 2P Reserves mmstb	2020 2C Resources mmstb	2020 2P Reserves and 2C Resources mmstb	2019 2P Reserves and 2C Resources mmstb
Onshore	5.44	4.01	9.45	9.28
East Coast	11.66	15.94	27.60	28.55
West Coast	2.45	3.30	5.75	3.24
<b>Total</b>	<b>19.55</b>	<b>23.25</b>	<b>42.80</b>	<b>41.07</b>

**Trintes (Trinity: 100% WI)**

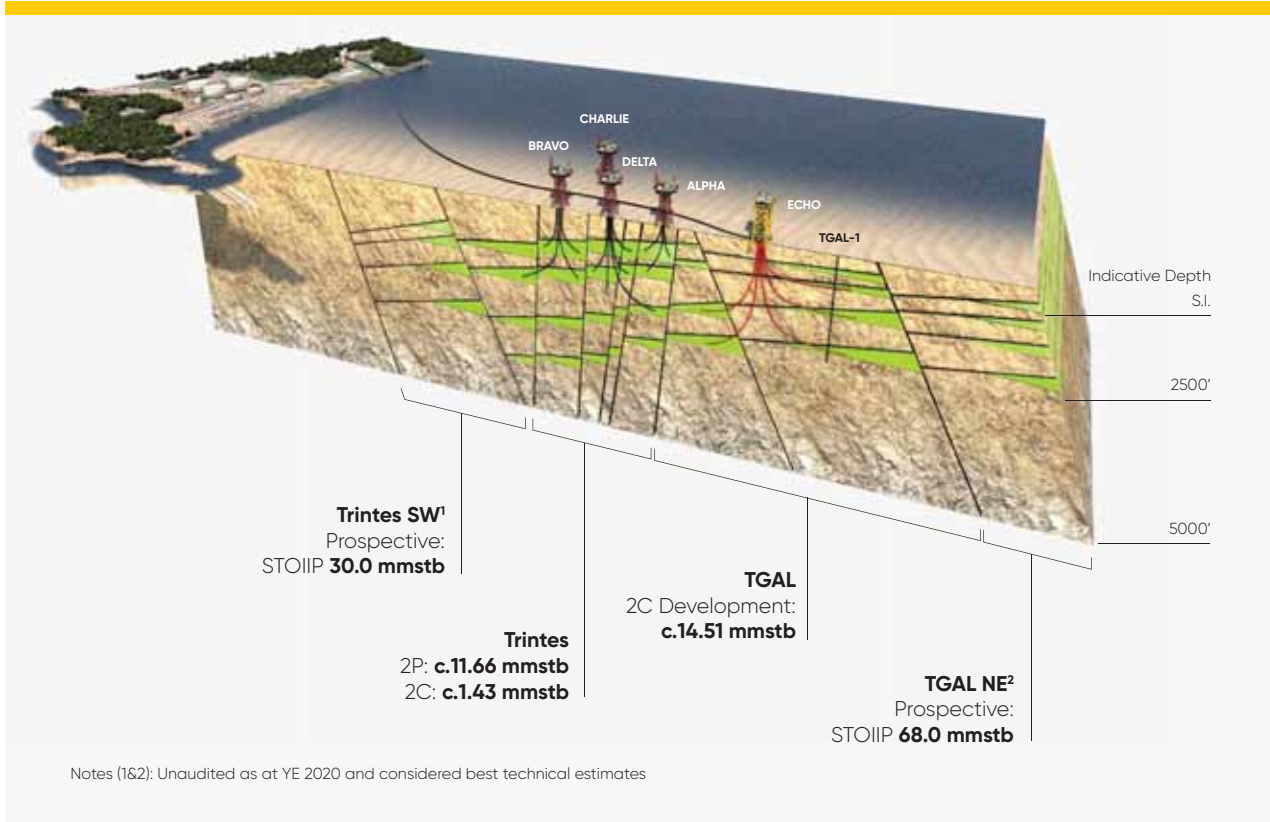
On the East Coast, Trinity has an established production hub on the Trintes field with four offshore platforms; (Alpha, Bravo, Charlie & Delta) that have an aggregate of 36 active wells. Current 2P reserves underpin only the producing Trintes field. However, across the East Coast Galeota anticline licence area, Management estimates total gross STOIP of over 700 mmstb of which only 249 mmstb of STOIP is mapped against the Trintes Field. Trintes has current booked East Coast 2P reserves of 11.66 mmstb which represents an incremental recovery factor of 4.7% with a further 1.43 mmstb booked within current contingent resources.

**Galeota Asset Development (Trinity: 65% WI)**

The TGAL discovery area (proposed Echo hub) lies in the Galeota Licence and sits within a separate Fault Block (mapped as Fault Block 6), an updip panel located to the north east of the Trintes Field, confirmed as being oil bearing in six major stacked reservoir horizons by the TGAL-1 exploration well with an internal best estimate STOIP of 186 mmstb. The FDP (to be submitted in May 2021) describes the first phase of a potential wider development across the Galeota anticline to fully develop the reserves potential from the large volumes of oil in place.

Operational Review (continued)

Development Schematic



Some of the key aspects of the proposed Echo Development include:

- An unmanned platform with minimal top-side design (Platform Echo).
- 25-year design life.
- Drilling via the use of a jack-up rig.
- A new pipeline from the Echo Platform to shore.
- Subsea power cable from shore to the Echo Platform.
- First oil estimated to be produced during 2023, subject to prevailing market conditions with peak production estimated at over 4,000 bopd.

- 2C resources of c.22.32 mmstb gross (14.51 mmstb net).
- 2C resources are expected to be revised upwards following completion of the dynamic modelling exercise during 2021.
- At FID, Trinity anticipates the net 2C resources developed by the Echo Platform would be reclassified as 2P reserves.

The COVID-19 pandemic and subsequent oil price crash in April 2020 did impact the project by triggering a slowdown in activity between May and June 2020 while management attempted to evaluate the overall impact on the company's financial position. However, the project ramped up activity again in the second half of the year.

Works progressed (and are continuing) on various pre-FEED studies to improve the topside and other aspects of the hardware design. In addition, work continued on building a dynamic reservoir model for forecasting production performance and cumulative estimated ultimate recoverable (EUR) volumes. Of equal importance, the environmental impact assessment ("EIA") field work was completed in 2020; advancing the permitting process with the EMA into 2021. The EIA is a key item on the critical path to FID. The EIA was submitted in February 2021 and represented a significant milestone. The FDP is to be submitted in May 2021.

### Galeota Asset Development key milestones achieved in 2020

#### → February 2020

The contract for the EIA was awarded to Coastal Dynamics Limited, signed in February 2020

#### → March 2020

First public engagement exercise was held.

Commenced ongoing onshore and offshore environmental baseline data collection was conducted for the dry and wet seasons.

The Project Team compared three unmanned platform design solutions and one manned alternative before recommending a modular unmanned platform design with a Tier One contractor.

#### → April 2020

Decision Support Paper issued

The Team selected a turnkey contracting strategy bundling the offshore facilities with the same contractor. The platform provider would also supply a flexible export pipeline and an umbilical to provide power, communications and fluids from the onshore Galeota tank farm facility. It was a natural conclusion from the platform design selection work.

A Memorandum of Understanding had been signed with the contractor. An integrated team of Trinity and contractor personnel worked on fine-tuning the platform design to ensure it met all of Trinity's requirements. The platform is an unmanned design with power and control from shore.

#### → September 2020

Execution of the geophysical pipeline route survey.

#### → November 2020

The contract for an onshore facilities concept study was awarded to Worley Parsons.



The Temple by Sea,  
Waterloo, Trinidad  
© Zaheer Mohammed

# Sustainability Review

"As a responsible Operator, we continuously promote a safety culture in which HSSE underpins all activities being undertaken."

**Nirmala Maharaj**

Chief of Staff & General Counsel



Trinity's ultimate success is reliant on working to promote the activities of the Company for the benefit of all stakeholders (including shareholders, employees, local communities, suppliers, customers and the environment).

## Environment

Complementing Trinity's commitment to delivering its production targets safely, the Board is also pursuing the Group's environmental responsibilities to ensure that its carbon footprint is reduced.

In order to deliver on Trinity's aims to be at the forefront of T&T and the wider Caribbean region's energy transition ambitions, during 2020 we effected measures both to more cleanly and efficiently manage our conventional asset base and also to develop the use of alternative energy sources.

### Reducing Trinity's GHG Contributions

Trinity has been establishing an abatement framework during 2020 to ensure that it becomes a more efficient and cleaner business. Specific work streams to be executed include the development of waste inventories and established targets to reduce, reuse and recycle waste streams across the Group; progression of the Green House Gases ("GHG") Emissions Study to develop the Group's understanding of its total emissions and subsequent targets and strategy to reduce GHG; the identification of potential impact categories which include Workplace, Industrial, Community and Environmental and the beneficial impact of the increased usage of technology and enhanced overall operating efficiencies.

As a ratified signatory to the Paris Agreement, T&T has committed to its Nationally Determined Contribution ("NDC") of delivering, by 2030, an overall 15% reduction in cumulative emissions from its three main emitting sectors (power generation, transport and industry). Trinity's total GHG emissions, as per the baseline assessment conducted in 2017, reported 0.02 million metric tonnes ("mt") per year. Trinity has also developed a Waste Inventory Template using our FZ-2 Field as the pilot location.

2017 – 2020 Pollution Parameters:

- Significant improvement in our Total Petroleum Hydrocarbons ("TPH") and Total Oil and Grease ("TOG") metrics.
- Engineering and Administrative Controls.
- Effective at low cost (Buffer Tanks installation).

To date Trinity has demonstrated conformity with the EMA & MEEI guidelines and Trinity will continue to implement low cost initiatives and conduct reviews of all field instructions for better management of effluent discharge.



### Energy Transition

During 2020, Trinity also advanced plans to pursue more sustainable environmental/lower carbon alternative energy sources for power generation, i.e. transition fuels and renewable power.

Trinidad and Tobago's, like much of the wider Caribbean region's, electricity generation is fired by fuel, with c.8% (c. 237 MMcfd/c.39,500 boepd) of its substantial natural gas production being used for electricity generation. In addition to this, large amounts of natural gas is flared and vented across Trinidad's brownfield operations (see our Marketplace on pages 10 to 13 for more details).

One of the aims of Trinity's MoU with the NGC is to explore micro LNG opportunities in T&T and the wider Caribbean region. By redirecting smaller gas supplies (including flared gas) to micro LNG facilities it is possible to supply compressed natural gas ("CNG") and/or LNG for use in more heavy duty road and marine transportation modes, thereby aiding decarbonisation and reducing pollution levels.

The MoU with the NGC and the more recently signed MoU with the UWI are further aimed at exploring renewable energy solutions both for existing operations and to identify new projects.



## Sustainability Review (continued)

### Social

Trinity's workforce stood at 241 (2019: 210) at 31 December 2020 with 78% (189) male and 22% (52) female employees. Our core employees are nationals of T&T, UK and France with the majority (99%) based in T&T at our central operations. Our Executive Management is 50% based in T&T with 33% being female.

### Health, Safety, Security & Environment ("HSSE")

2020 proved to be quite a challenging year due to a number of external factors, namely, COVID-19 and volatile fluctuations in the oil price. By placing HSSE at the forefront of operations, the Group was able to successfully maintain its HSSE culture to focus on the welfare of its team and contractors whilst delivering its operational plan successfully. Our emphasis on continuous improvement through all aspects of the HSSE culture has been strengthened and sustained and the ability to adapt has been actively demonstrated in our management system as per its respective deliverables.

Trinity's response to the Pandemic was acknowledged by The American Chamber of Commerce of Trinidad and Tobago ("AMCHAM T&T") by receiving the award in Business Continuity and Surviving the Pandemic 2020

(Honourable mention) for small/medium enterprises in the Energy and Manufacturing Sector.

The Group's HSSE performance updates have been made fully visible and communicated every month to the Board and continues to be the first aspect of business discussions.

Trinity continues to maintain its HSSE management system through our Safe to Work ("STOW") Trinidad & Tobago certification. At our last audit in August 2020 we were recertified for a further two years with a rating of 99% (a 3% increase from our last audit in 2017). This certification provides validation that our accredited HSSE management system is developed in such a form to allow us to have the ability to respond, control and analyse safety events and performance data as well as allowing us to be proactive in mitigating and managing risk. Notwithstanding our 2020 achievements, in 2021 Trinity intends to continue its focus on sustaining and further improving the HSSE management system to ensure the delivery of production targets safely and efficiently with the goal of becoming ISO 45001: 2018 compliant by Q2 2022.

### Our Community

Trinity is a local operator, so engaging with the local community to understand the impact of Trinity's operations is integral to our operating approach. Trinity strives to establish and maintain strong community relations and trust by undertaking activities in a manner to minimise risk whilst maximising the

opportunities for local people to share in the benefits of our activities.

Trinity undertakes regular formal and informal engagement processes with our local communities to ensure concerns or questions are heard and addressed whilst ensuring information about our activities is readily available.

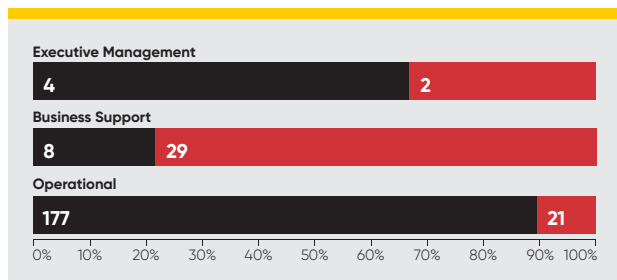
As an organisation we also inspire our workforce and suppliers to engage with local communities and charities. During 2020 food parcels were delivered to local communities, school supplies were provided to 75 students in the Galeota community and sponsorship of a Local School Rewards & Recognition Programme was undertaken.

Trinity also engaged with and updated its Contractors, Suppliers, Government Ministries and the national oil company, Heritage, on a regular basis throughout 2020.

### Governance

Trinity's approach to governance is grounded in transparency, using our values and principles to guide ethical decision making. We recognise that strong governance is a key element in building and maintaining trust with stakeholders and act in accordance with the QCA Corporate Governance Code. The QCA code is a practical, outcome-orientated approach to corporate governance, see pages 63 to 67 for further details.

### Gender Breakdown



- Male
- Female

#### Notes:

1. Executive Management- Includes both Executive Directors - (refer to pages 68 to 69 for full list of directors).
2. Business Support- Employees providing administrative support to day to day operations.
3. Operational- Employees directly linked to operations and producing assets.

### HSSE KPIs

	2020	2019	Change %
<b>Leading Indicators</b>			
Start Cards <sup>1</sup>	10,644	11,154	-5
Training Hours <sup>2</sup>	3,388	3,364	1
Man Hours <sup>3</sup>	878,025	844,074	4
<b>Lagging Indicators</b>			
Reportable Environmental			
Incidents (REI) <sup>4</sup>	6	13	54
Lost Time Accidents (LTA) <sup>5</sup>	1	3	67

Refer to page 41 for Notes to HSSE KPI's.

Notes to HSSE KPIs

1

Start Card Programme

Management's commitment to behaviour based HSSE programmes – of which the See, Think, Act, Reinforce and Track ("START") Card programme is an example – has positively impacted our HSSE culture. During 2020, we launched an online platform for our START Card System and while we note a minimal decrease in the number of cards, we have seen significant improvement in the participation of all of our employees. Our continued drive to report both safe and unsafe acts within our operations so as to raise awareness.

2

Training

Due to COVID-19, our in-person certification training sessions were suspended and as such, we reverted to online internal training. Given the limitations, we were still able to achieve 0.7% increase from 2019 and maintain the competence of the HSSE critical training for our employees.

3

Man Hours

Trinity recorded 878,025-man hours in 2020 (2019: 844, 074-man hours), a 4% increase year on year, despite the restrictions presented due to COVID-19. Our protocols were aggressively evaluated and adjusted to ensure continued safe operations throughout all assets. Significant improvements in our HSSE reporting and communication were noted due to our continued emphasis on a strong HSSE culture, facilitated by an increase in Management visits to all assets, increased feedback on lessons learned and multiple proactive initiatives implemented across all operations.

4

Reportable Environmental Incidents

Over 2020, REI's reduced by 53.8% due to our ongoing monitoring and measuring plans. It is important to note that the reporting guidelines were reduced to 1 Gallon and as a result would have contributed to the overall 2020 numbers. We noted that both Contractor activity and integrity issues accounted for the majority of the REIs incurred. During Q4 of 2020, we initiated a Spill Potential Analysis of all Routine, Non-Routine Operations, Existing and Idle Facilities to establish a baseline of opportunities for spills. We have finalised a plan based on evaluation and auditing to ensure that all gaps identified during this Analysis are closed during 2021.

5

Loss Time Accidents

Our LTA occurrence during 2020 was due to an employee's complacency with his surroundings resulting in a twisted ankle. Given our robust implementation of our planned strategies over 2019 into 2020 we were able to significantly curb incidents resulting in injuries to our employees. We do recognise that the behaviour of our employees impacts us the most and as such, we are continuing to place emphasis on people and process to ensure that our operations are executed in the safest manner possible. Our Management and HSSE teams are working towards further developing and sustaining employee awareness through greater HSSE communication and

education methods, enforcing START Card participation and disseminating closure rates of the said Cards Management continues to conduct regular site visits across all fields, increase training sessions, cycle emergency drills readiness supported by regulatory compliance, reporting and auditing to sustain and improve our HSSE Culture.

Business ethics

Trinity is committed to upholding the highest possible ethical standards. All our activities are conducted in accordance with our core values:

- **Behaviour:** Demonstrate professionalism, respect and fairness; conducting business in a socially responsible and ethical manner.
- **Rigour:** Initiate thought before action by promoting sustainability and proactively protecting the environment.
- **Purpose:** Engaging, learning from, respecting and supporting the communities and cultures within which we operate.

Anti-bribery

Bribery is strictly prohibited by Trinity. It is the policy of the Group to conduct business in an honest and ethical manner. Trinity takes a zero tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever we operate. Trinity seeks to uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, as best practice,

we remain principally aligned to the laws of the UK namely, the Bribery Act 2010 in respect of our conduct both at home and abroad.

Whistleblowing

Trinity has a whistleblowing policy and procedure in place that provides all Trinity employees the opportunity and means to independently and anonymously report conduct which relates to suspected wrongdoing or dangers at work. This may include: criminal activity, bribery, failure to comply with legal obligations, financial fraud or mismanagement, negligence, breach of internal policies and procedures including Anti-Corruption and Bribery Policies, miscarriages of justice, actions which endanger the health & safety of staff or the public, actions which cause damage to the environment, conduct likely to damage Trinity's reputation, unauthorised disclosure of confidential information and actions which are intended to deliberately conceal any of these issues.

Any whistleblowing report can be made orally or in writing to an immediate supervisor or to the Chairman of the Audit Committee.

Political engagement

Trinity maintains a positive working relationship with government stakeholders at national, regional, district and local level is through regular engagement. This ensures government stakeholders are aware of, and can provide input to, our present and future activities. However, Trinity does not make any form of political donation to any individual, party or organisation.

Stakeholder engagement

We update and where appropriate seek feedback, from all key stakeholders via regular meetings and communications throughout the year. Specifically, in regards to shareholders, both retail investor events and institutional investor meetings are held during the year to provide updates and receive feedback. We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible their wishes are duly considered.

## Financial Review

“Our performance in 2020 was encouraging, and the outlook for our business is positive. We have made good progress in strengthening our balance sheet and, while that focus will continue, we are also now able to invest in opportunities that will drive long-term growth and enhance future returns.”

**Edouard Brain**  
Chief Financial Officer (CFO)



Trinity assesses the Group's performance using both International Financial Reporting Standards (“IFRS”) and Alternative Performance Measures Guidelines (“APM”) governed by the European Securities and Markets Authority (“ESMA”). Management believes that analysis of both these performance measures promote better guidance to Management for both operational and strategic decision making purposes.

### KPI'S

The Group was profitable at an operating level in 2020, despite the material reduction in the realised oil price, with a 46% increase in the year-end cash balance to USD 20.2 million (2019: USD 13.8 million) and a 25% increase in the net cash plus working capital surplus of USD 21.7 million (2019: USD 17.3 million).

A summary of the year-on-year operational and financial highlights are set out below:

		FY 2020	FY 2019	Change %	
Average realised oil price <sup>1</sup>	USD/bbl	<b>37.7</b>	58.1	35	↓
Average net production	bopd	<b>3,226</b>	3,007	7	↑
Annual production <sup>2</sup>	mmbbls	<b>1.2</b>	1.1	9	↑
Revenues	USD million	<b>44.1</b>	63.9	31	↓
Cash balance	USD million	<b>20.2</b>	13.8	46	↑
<b>IFRS Results</b>					
Operating Profit before SPT & PT	USD million	<b>3.0</b>	10.3	71	↓
Operating Profit before Exceptional Items	USD million	<b>2.6</b>	2.4	9	↑
Operating Profit/(Loss)	USD million	<b>1.4</b>	(12.8)	111	↑
Total Comprehensive Loss For The Year	USD million	<b>(2.8)</b>	(9.6)	70	↑
Loss Per Share – Diluted	USD cents	<b>(0.7)</b>	(2.3)	70	↑
<b>APM Results</b>					
Adjusted EBITDA <sup>3</sup>	USD million	<b>12.3</b>	21.8	43	↓
Adjusted EBITDA <sup>4</sup>	USD/bbl	<b>11.4</b>	19.8	42	↓
Adjusted EBITDA margin <sup>5</sup>	%	<b>28</b>	34	18	↓
Adjusted EBITDA Per Share – Diluted <sup>6</sup>	US cents	<b>3.0</b>	5.3	43	↓
Adjusted EBITDA after SPT & PT <sup>7</sup>	USD million	<b>12.0</b>	13.9	14	↓
Adjusted EBITDA after SPT & PT <sup>8</sup>	USD/bbl	<b>11.1</b>	12.6	12	↓
Adjusted EBITDA after SPT & PT Per Share – Diluted <sup>9</sup>	US cents	<b>2.9</b>	3.3	14	↓
Consolidated operating break-even <sup>10</sup>	USD/bbl	<b>20.1</b>	26.4	24	↓
Net cash plus working capital surplus <sup>11</sup>	USD million	<b>21.7</b>	17.3	25	↑

#### Notes:

1. Realised price: Actual price received for crude oil sales per barrel (“bbl”).
2. Annual production (mmbbls) – Production sold in a given year.
3. Adjusted EBITDA (USD MM): Operating Profit before Taxes for the period, adjusted for non-cash DD&A, SOE, ILFA and FX gain/(loss).
4. Adjusted EBITDA (USD/bbl): Adjusted EBITDA/Annual production.
5. Adjusted EBITDA margin (%): Adjusted EBITDA/Revenues.
6. Adjusted EBITDA per Share – Diluted: Adjusted EBITDA / Weighted average ordinary shares outstanding-diluted.
7. Adjusted EBITDA after SPT & PT (USD MM): Adjusted EBITDA after SPT & PT.
8. Adjusted EBITDA after SPT & PT (USD/bbl): Adjusted EBITDA after SPT & PT / Annual production.
9. Adjusted EBITDA after SPT & PT per Share – Diluted: Adjusted EBITDA after SPT & PT / Weighted average ordinary shares outstanding-diluted.
10. Consolidated operating break-even: The realised price where Adjusted EBITDA for the entire Group is equal to zero.
11. Net cash plus working capital surplus: Current Assets less Current Liabilities (other than Provisions for other liabilities).

Note (\*): See Note 24 to Consolidated Financial Statements – Adjusted EBITDA for further details on pages 131 to 132.

### Adjusted EBITDA Calculation

Adjusted EBITDA is an APM used by the Group to measure business performance. The Group presents Adjusted EBITDA metrics as they are used by Management to assess the Group's underlying operational and financial performance.

	2020 USD MM	2019 USD MM	Change %
Operating Profit before SPT & PT (IFRS Result)	<b>3.0</b>	10.3	71 ↓
DD&A	<b>8.2</b>	9.8	16 ↓
SOE	<b>1.0</b>	1.0	7 ↓
ILFA	<b>0.3</b>	0.6	59 ↓
FX loss/(gain)	<b>(0.0)</b>	0.1	109 ↓
Adjusted EBITDA (APM Result)	<b>12.3</b>	21.8	43 ↓

### 2020 Trading Summary

A five year historical summary of realised price, production, operating break-even, Production Costs ("Opex") and General & Administrative ("G&A") expenditure metrics is set out below.

Details		2016 <sup>4</sup>	2017 <sup>4</sup>	2018 <sup>4</sup>	2019	2020
Realised Price	USD/bbl	39.4	48.6	59.8	58.1	<b>37.7</b>
<b>Production</b>						
Onshore	bopd	1,343	1,347	1,563	1,616	<b>1,793</b>
West Coast	bopd	190	212	198	185	<b>245</b>
East Coast	bopd	1,009	961	1,110	1,208	<b>1,188</b>
Consolidated	bopd	2,542	2,519	2,871	3,007	<b>3,226</b>

### Operating Break-Even<sup>1</sup>

		2016 <sup>4</sup>	2017 <sup>4</sup>	2018 <sup>4</sup>	2019	2020
Onshore	USD/bbl	17.4	16.6	16.1	16.4	<b>16.5</b>
West Coast	USD/bbl	37.7	26.6	26.8	32.4	<b>24.6</b>
East Coast	USD/bbl	26.3	24.9	25.9	21.9	<b>21.0</b>
Consolidated <sup>2</sup>	USD/bbl	29.2	28.4	29.0	26.4	<b>20.1</b>
<b>Metrics</b>						
Opex/bbl - Onshore	USD/bbl	11.8	11.1	11.7	12.1	<b>12.2</b>
Opex/bbl - West Coast	USD/bbl	31.6	22.1	22.1	26.9	<b>20.3</b>
Opex/bbl - East Coast	USD/bbl	20.1	18.9	20.1	17.1	<b>16.5</b>
G&A/bbl - Consolidated <sup>3</sup>	USD/bbl	4.4	4.4	5.0	5.1	<b>4.3</b>

#### Notes

- Operating break-even: The realised price where Adjusted EBITDA for the respective asset or the entire Group (Consolidated) is equal to zero.
- 2020 consolidated break-even benefits from derivative income of USD 1.6 million (2019: expense of USD 0.1 million). Consolidated operating break-even: Includes G&A but excludes SOE and FX gain/loss.
- G&A/bbl - Consolidated: Excludes SOE and FX gain/loss.
- Metrics for 2018 and prior are pre-IFRS 16 adoption effective 1 January 2019 which impacted the Operating Break-Even Levels and Opex/bbl & G&A/bbl Metrics for historical comparative purposes. Full details of the impact were set out in the 2019 annual report and accounts.

## Financial Review (continued)

Production increased by 7% to 3,226 bopd, the second consecutive year that production averaged over 3,000 bopd and the third consecutive year of production increases. This strong performance was achieved despite COVID-19, depressed WTI oil prices and no new wells being drilled during 2020, and demonstrates the benefits of innovation and the continued performance of the new development wells drilled during 2018/19.

Of particular note from a financial standpoint is that operating break-evens were reduced by an aggregate 24% to USD 20.1/bbl (2019: USD 26.4/bbl). The consolidated operating break-even includes the Group's cash G&A costs and therefore captures the corporate costs associated with supporting the asset base. At the corporate level, the ability to yield such a robust operating break-even level reflects higher production volumes and lower combined expenses as detailed below:

- Opex increased by 1% to USD 16.5 million (2019: 16.4 million) with a 7% decrease on an Opex/bbl basis to USD 13.9/bbl (2019: USD 15.0/bbl). This was largely a function of a reduced costs due to Strategic Business Partnering, reduced WO programme, production optimisation and better well uptimes, re-negotiated terms of the supply/ personnel vessels and port rental.
- G&A costs (which excludes non-cash SOE and FX gain/loss) decreased by 9% to USD 5.1 million (2019: USD 5.6 million) with a 13% decrease in G&A/bbl to USD 4.5/bbl (2019: USD 5.1/bbl). This resulted from decreased staff costs, reduced levies and lower corporate expenses.

## Review of Financial Statements

Trinity and its subsidiaries ("the Group") consolidated financial information has been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") Interpretations Committee ("IFRS IC") interpretations in conformity with those parts of the Companies Act ("CA") 2006 applicable to companies reporting under IFRS. This consolidated financial information has been prepared under the historical cost convention, modified for fair values under IFRS. The Group's accounting policies and details of accounting judgements and critical accounting estimates are disclosed within Note 1 of the Financial Statements on pages 100 to 108. The Group has adopted additional accounting policies in the year ended 31 December 2020 as set out in Note 1 of the Financial Statements on pages 100 to 108.

Throughout this report reference is made to adjusted results and measures. The Board believe that the selected adjusted measures allow Management and other stakeholders to better compare the normalised performance of the Group between the current and prior year, without the effects of one-off or non-operational items, and better reflects the underlying cash earnings achieved in the year. In exercising this judgment, the Board have taken appropriate regard of International Accounting Standards ("IAS") 1 "Presentation of financial statements".

In particular, the APM measure of Adjusted EBITDA excludes the impact of Depreciation, Depletion & Amortisation ("DD&A"), as well as the non-cash impact of Share Option Expense ("SOE"), Impairment losses on financial assets ("ILFA") and FX gain/loss and these are summarised on the face of the Consolidated Income Statement as well as being described in Note 1 to the financial statements.

## Summary of Results for the Year

**Revenue declined due to the significantly lower average realised oil price in 2020:** The 35% decrease in average oil price realisations to USD 37.7/bbl (2019: USD 58.1/bbl), partially mitigated by a 7% increase in production to 3,226 bopd (2019: 3,007 bopd), resulted in a 31% decrease in revenues to USD 44.1 million (2019: USD 63.9 million).

### **Focus on controlling costs and preserving strong operating margins:**

The Group maintained its focus on controlling costs and preserving strong operating margins in the lower oil price environment. The Adjusted EBITDA margin declined to 28% (2019: 34%), with the 24% lower consolidated operating break-even price of USD 20.1/bbl (2019: USD 26.4/bbl) demonstrating the Group's ability to adapt to adverse conditions by enacting cost reductions. The 43% reduction in Adjusted EBITDA to USD 12.3 million (2019: USD 21.8 million) is a direct result of the lower realised oil price, which was only partially mitigated by higher production levels, expense reductions and the Group's derivative income of USD 1.6 million.

**Successful Capex work programme:**

USD 5.3 million (2019: USD 12.7 million) incurred in predominantly infrastructure, production and exploration and evaluation expenditure. 2020 saw the Group spend on Infrastructure Capex across the assets to maintain asset integrity and to support the production initiatives, complete 18 Onshore RCP's and exploration and evaluation assets comprising of internal time writing and third-party costs for the Galeota asset development project. Capex included:

- USD 0.3 million New Wells (drilling planning, no New Wells drilled).
- USD 2.5 million Infrastructure Capex.
- USD 0.8 million 18 RCP's.
- USD 0.6 million Subsurface time-writing costs.
- USD 1.1 million Exploration and Evaluation ("E&E") assets.

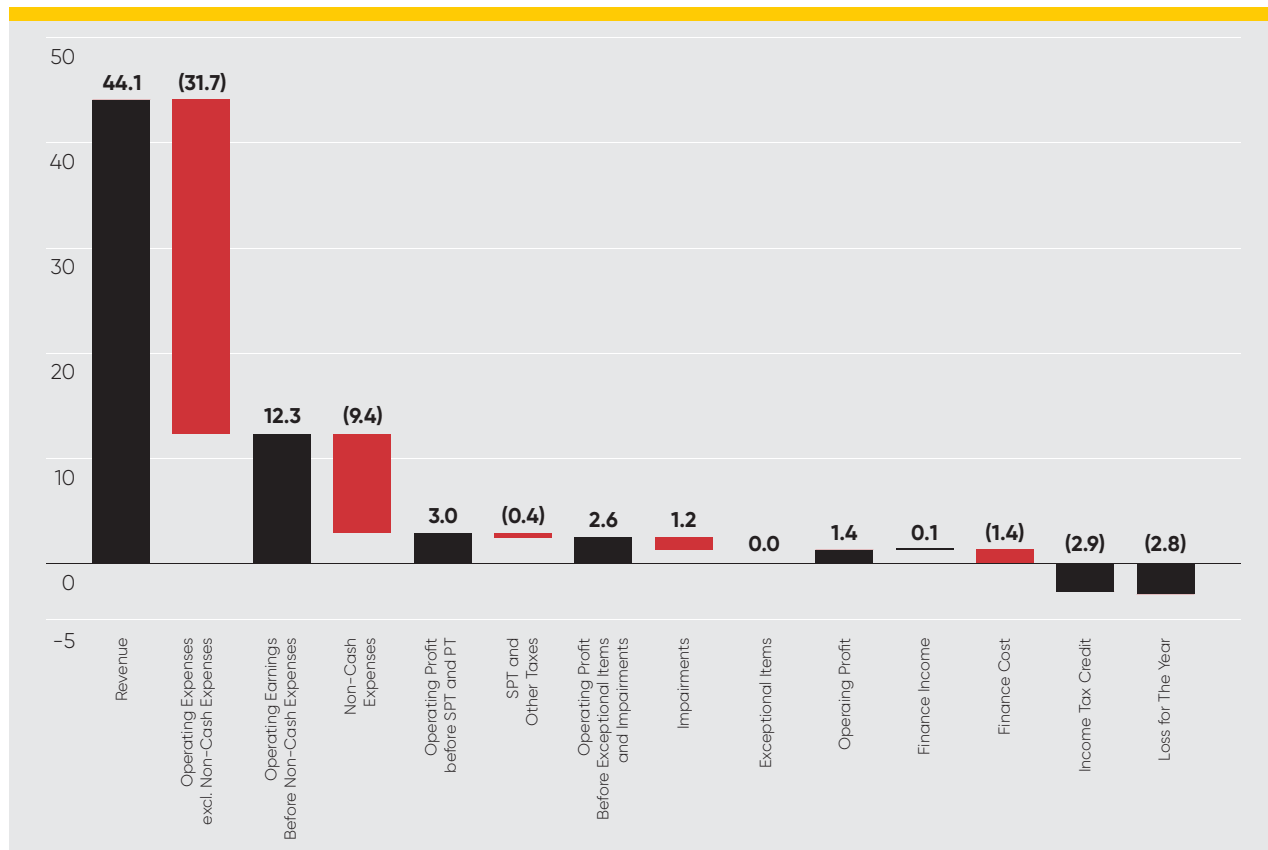
Refer to Notes to Financial Statements: Note 11 Property, Plant and Equipment - Additions (USD 4.1 million) on page 119 and Note 13 - Intangible Assets -

Additions (USD 1.2 million) inclusive of accruals on page 121.

**Increased financial strength:** The Group's cash balances at year end increased by 46% to USD 20.2 million (2019: USD 13.8 million). The higher cash balance is as a result of a strong operating performance, no SPT being payable in 2020 and drawdown of USD 2.7 million under the Group's CIBC facility. In aggregate, the net cash plus working capital surplus stood at USD 21.7 million, a 25% increase (2019: USD 17.3 million).

**Statement of Comprehensive Income**

**Consolidated Statement of Comprehensive Income**



**Revenues**

Crude oil sales revenues of USD 44.1 million (2019: USD 63.9 million).

**Operating expenses**

Operating expenses decreased by 23% in 2020 to USD (41.2) million (2019: USD (53.6) million) and comprised:

Cash Expenses: USD (31.7) million (2019: (42.1) million):

- Royalties of USD (11.7) million (2019: USD (20.0) million) decreased due to a combination of lower overriding royalties (ORR rates fell 4.5% as a percentage of sales) and

a decrease in production royalties (as income was affected by the lower average realised oil price).

- Opex of USD (16.5) million (2019: USD (16.4) million) was a function of labour costs for new hires in Q4 2019 impacting the full year, salary adjustments in 2020 together with increased WO costs (as 1 ESP and 2 MPHU type WOs were conducted incurring higher costs).

- G&A expenses of USD (5.1) million (2019: USD (5.6) million) have decreased due to lower travel, business development, professional, ICT and other expenses.
- Derivative Income of USD 1.6 million (2019: USD (0.1) million) includes the net impact of derivative instruments income of USD 2.4 million, partially offset by derivative purchase costs of USD (1.0) million and USD 0.02 fair value derivative financial adjustments primarily to protect future periods.

## Financial Review (continued)

Non-Cash Expenses: USD (9.4) million (2019: USD (11.5) million):

- DD&A of USD (8.2) million (2019: USD (9.8) million).
- SOE of USD (1.0) million (2019: USD (1.0) million).
- ILFA: USD (0.3) million (2019: USD (0.6) million).
- FX gain of USD 0.0 million (2019: USD (0.1) million loss).

### SPT & PT

SPT & PT were USD (0.4) million (2019: USD (7.9) million) and comprised:

- SPT of USD 0.2 million (2019: USD (7.4) million) comprising a credit related to an ITC claim filed in 2020. There were no SPT liabilities incurred for 2020 as the average oil price realised was below USD 50.01 per bbl (SPT threshold) for each of the four quarters.
- PT charge of USD (0.5) million (2019: USD (0.5) million). There is still no official and formal indication on the PT valuation method as it relates to oil and gas entities.

The Group's reported operating profit before impairment and exceptional items was USD 2.6 million (2019: USD 2.4 million). Adjusting for non-cash expenses, the Group's Adjusted EBITDA after SPT & PT was USD 12.0 million (2019: USD 13.9 million) (further details below).

### Impairments

Impairments were USD (1.2) million (2019: USD (15.2) million) related to the Impairment of property, plant, and equipment.

See Note 3(d) to Consolidated Financial Statements – Impairment of Property, Plant and Equipment for further details on pages 113 to 114.

### Exceptional items

Exceptional items were USD 0.04 million (2019: nil) related to the reversal of the Impairment of property, plant and equipment and fees relating to corporate restructuring advice.

See Note 6 to Consolidated Financial Statements – Exceptional items for further details on page 116.

### Finance Income

Finance income is solely related to bank interest income received on investments with financial institutions (short term investments) of USD 0.1 million (2019: 0.1 million).

### Finance Costs

Finance costs amounted to USD (1.4) million (2019: USD (1.4) million) and comprised the:

- Unwinding of the decommissioning liability USD (1.2) million (2019: USD (1.2) million).
- Interest on Leases USD (0.2) million (2019: (0.1) million).
- Bank overdraft USD (0.1) million (2019: nil).

See Note 7 to Consolidated Financial Statements – Finance Costs for further details on page 116.

### Income Taxation

Income Taxation Expense for 2020 of USD (2.9) million (2019: USD 4.4 million Income Taxation credit), comprise the following below.

- Reduction in Deferred Tax Assets ("DTA") due to the de-recognition of tax losses of USD (3.4) million charge (2019: Increase in DTA of USD 3.4 million).
- Decrease in Deferred Tax Liabilities ("DTL") USD 1.6 million due to accelerated accounting impairments/depreciation (2019: USD 1.4 million decrease).
- Unemployment Levy ("UL") USD (0.3) million (2019: USD (0.4) million).
- Petroleum Profit Tax ("PPT") charge USD (0.8) million (2019: Nil).

See Note 8 to Consolidated Financial Statements – Income Taxation for further details on page 116 to 117.

The Group's comprehensive post-tax loss for the period was therefore USD (2.8) million (2019: USD (9.6) million loss).

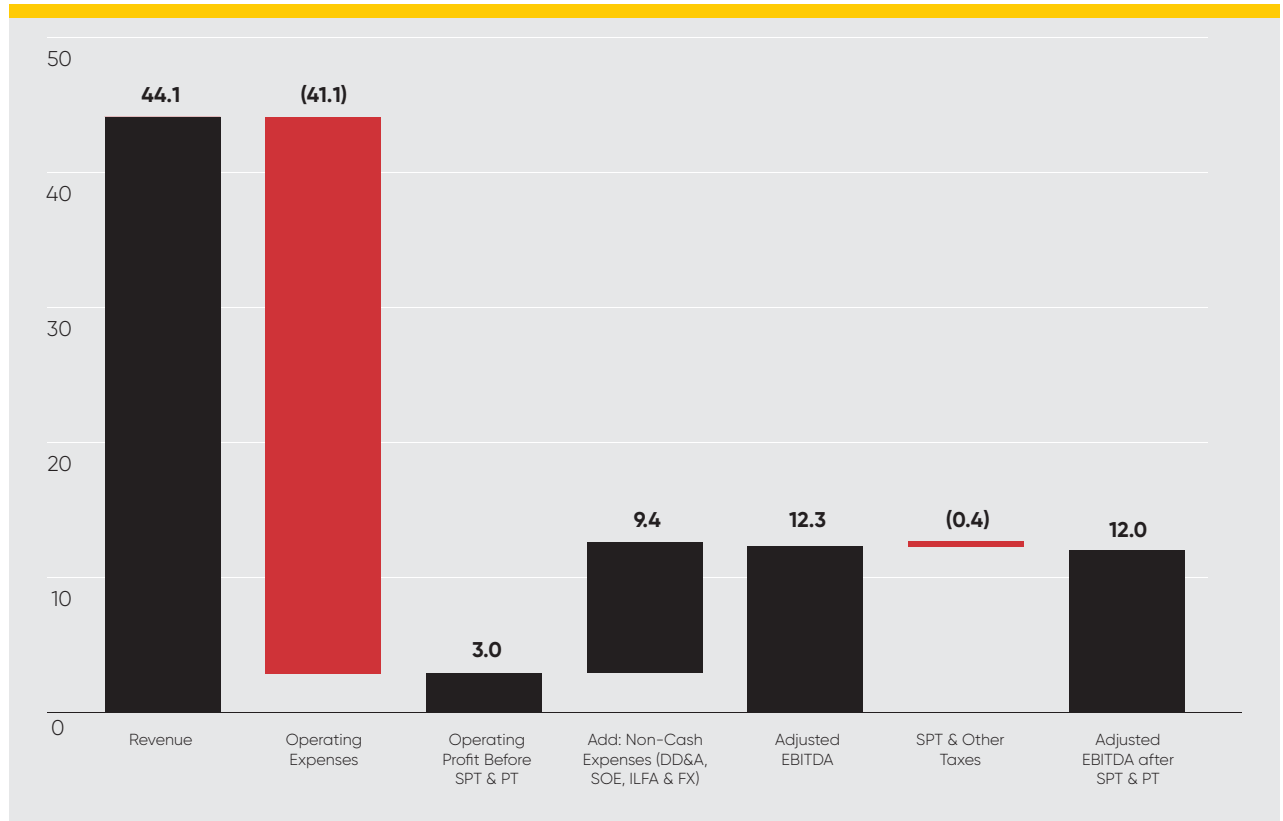


## Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure used by the Group to measure business performance. It is calculated as Operating Profit before SPT & PT for the period, adjusted for non-cash DD&A, SOE, ILFA and FX.

The Group presents Adjusted EBITDA at USD 12.3 million and Adjusted EBITDA after SPT & PT at USD 12.0 million as it is used by Management to assess the Group's underlying operational and financial efficiencies and judged to be a better measure of underlying performance.

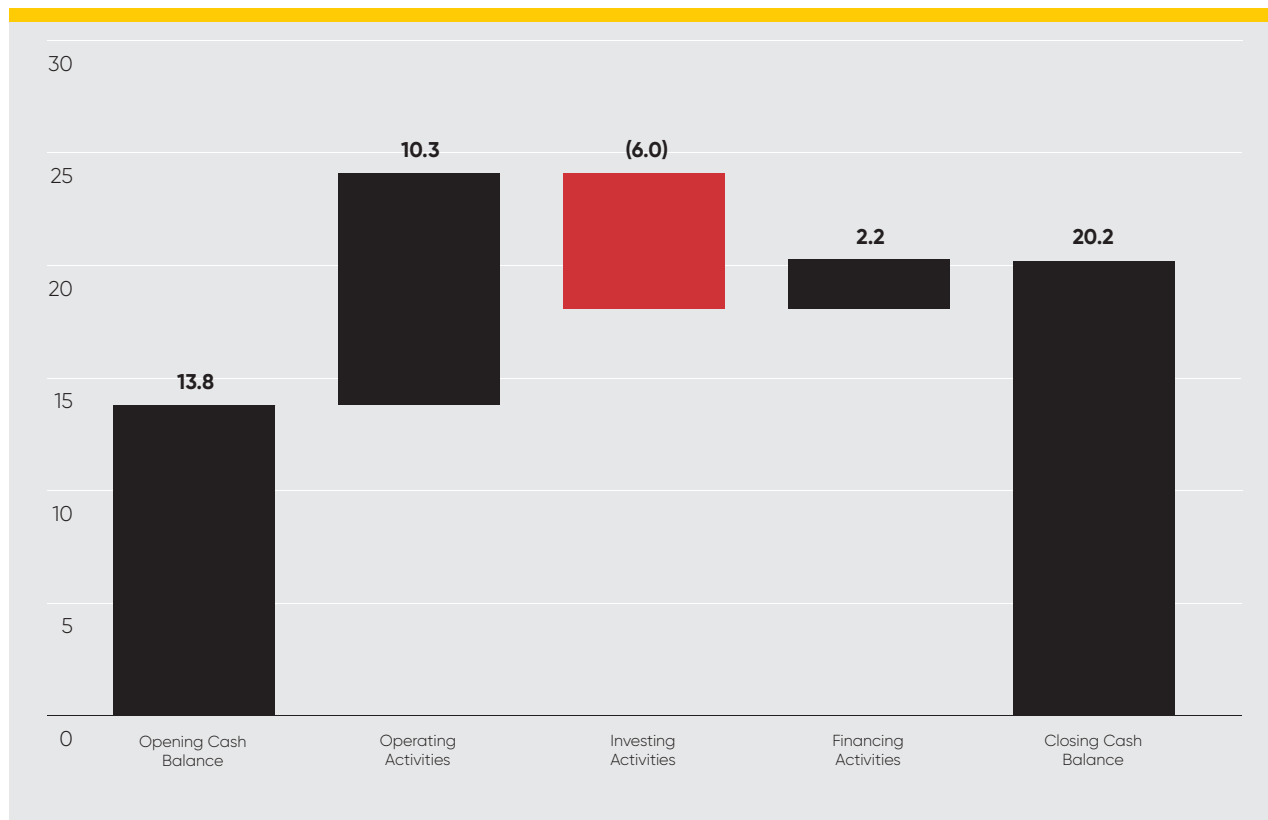
### Adjusted EBITDA



## Financial Review (continued)

### Statement of Cash Flows

#### Consolidated Statement of Cash Flows



#### Cash inflow/ (outflow) from operating activities

Operating Cash Flow ("OCF") was USD 10.3 million (2019: USD 15.6 million): Note: year-on-year comparative based on Restatement to Cash Flow Statement as per page 47 in the Financial Review.

- Operating cash flow (pre-working capital movements and income tax) of USD 12.1 million (2019: USD 13.1 million) reflected a reported Operating Profit before income tax of USD 0.1 million (2019: USD (14.1) million).
- Changes in working capital of USD 0.8 million outflow (2019: USD 2.8 million inflow), primarily as a result of the decrease in trade receivables compared to the 2019 year end.
- Current income taxation paid USD (1.0) million outflow (2019: USD (0.3) million outflow).

#### Cash (outflow) from investing activities

Cash outflow from investing activities was USD (6.0) million (2019: USD (11.5) million):

- Expenditure on property, plant and equipment for the year was USD (5.0) million (2019: USD (11.0) million) which mainly included 18 RCPs and infrastructure upgrades.
- Expenditure on exploration and evaluation assets USD (1.1) million (2019: USD (0.4) million) as the Group continued to invest in Galeota and other growth initiatives.

#### Cash (outflow)/inflow from financing activities

Cash inflow from financing activities was USD 2.2 million (2019: USD (0.6) million outflow):

- Drawdown of CIBC working capital Facility of USD 2.7 million (2019: nil\*).
- Finance cost of USD (0.01) million (2019: nil\*).
- Principal paid on lease liability USD (0.4) million (2019: (0.4) million)
- Interest paid on lease liability USD (0.1) million (2019: (0.2) million)
- Finance Cost of USD (0.01) million (2019: nil).

Note (\*): Amount restated as per note 33 in Financials.

## Net Cash Plus Working Capital Surplus

All figures in USD million		FY 2020 USD MM Audited	FY 2019 USD MM Audited	FY 2018 USD MM Audited
<b>A:</b>	<b>Current Assets</b>			
	Cash and cash equivalents	20.2	13.8	10.2
	Trade and other receivables	7.2	9.3	13.3
	Inventories	5.3	5.2	3.7
	Derivative Financial Instrument	0.3	0.1	-
	<b>Total Current Assets</b>	<b>33.0</b>	28.4	27.2
<b>B:</b>	<b>Liabilities</b>			
	Trade and other payables	7.8	10.4	9.1
	Bank overdraft	2.7	-	-
	Lease liability	0.6	0.6	-
	Taxation payable	0.2	0.1	-
	Derivative Financial Instrument	-	-	-
	<b>Total Current Liabilities</b>	<b>11.3</b>	11.1	9.1
<b>(A-B):</b>	<b>Cash plus working capital surplus</b>	<b>21.7</b>	17.3	18.1

Note: Current Liabilities excludes Provision for other liabilities.

## Events since Year End

### 1. Hedging

The Company implemented additional crude derivatives over the Group's monthly production in 2021 and H1 2022. The derivative protection currently in effect for 2021-2022 is as follows:

Type of Derivatives	Index	Sell Put	Buy Put	Sell Call	Production	Effective Date	Expiry Date	Execution Date	Premium USD MM
		USD/bbl	USD/bbl	USD/bbl	Monthly Barrels				
Put Spread	WTI	20.0	30.0	-	15,000	01-Jan-21	31-Dec-21	21-Jul-20	0.36
Put Spread	WTI	20.0	30.0	-	15,000	01-Jan-21	31-Dec-21	17-Nov-20	0.25
Put Spread	Dated Brent	32.5	42.5	-	15,000	01-Jan-21	30-Jun-21	25-Nov-20	0.19
2-Way Cost Collar	ICE Brent		42.5	64.4	15,000	01-Jul-21	31-Dec-21	5-Feb-21	-
3-Way Cost Collar	ICE Brent	50.0	60.0	66.9	10,000	01-Jan-22	30-Jun-22	4-Mar-21	-

### 2. CIBC Full Overdraft Credit Facility Drawdown

Trinity fully drew down its USD 2.7 million overdraft credit facility with CIBC effective 2 April 2020 as part of its strategy of maximising available cash during the COVID-19 pandemic. This facility was increased on 5 January 2021 by USD 2.3 million to a total of USD 5.0 million. This additional portion remains fully undrawn to date. The facility is a revolving overdraft credit available to Trinity which is repayable upon demand to CIBC. Interest is payable monthly at an interest rate equivalent to the US Prime Rate (currently 9%) minus 4.05% per annum (current effective rate 4.95%) with a floor rate of 3.95%.

### 3. Fiscal Reforms

The revised threshold for SPT for small onshore producers was implemented via The Finance Act No. 30 of 2020 which came into effect on 1 January 2021. As a result, the threshold at which SPT becomes due for individual onshore producers producing less than 2,000 bopd has now increased from average realisations of USD 50.0/bbl to USD 75.0/bbl (in any given quarter) for the financial years 2021 and 2022.

### 4. Acquisition of onshore block PS-4

On 4 May 2021, Trinity announced that it had entered into a sale and purchase agreement with Moonsie Oil Company Limited to acquire an operated 100% interest in the PS-4 onshore block for a headline cash consideration of USD 3.5 million, to be funded from the Group's existing cash resources. The Group anticipates that the transaction will complete towards the end of Q2 2021.

## Risk Management and Internal Controls

Our Board is committed to effective risk management and is supported by a pro-active organisational culture and a framework of effective internal controls.

Aside from the generic risks faced by all businesses, as a participant in the upstream oil and gas industry, the Group encounters and has to manage several business specific risks and uncertainties. Such risks and uncertainties include those listed below. These risks should not however be taken as a complete and comprehensive statement of all potential risks and uncertainties that the Group faces. Additional risks and uncertainties that are not presently known to the Board, or which they currently deem immaterial, may also have an adverse effect on the Group's operating results, financial condition and prospects.

### Risk Profile Matrix

The risk summary and explanatory table below represents our current assessment of the potential impact by area and change from 2019 for each of the principal risks.

Risk Profile	What is the risk?	KPI's affected	Change from 2019	Strategic Objective impacted	Responsibility	Page
<b>A</b>	HSSE	LTA REI	↑	1	Chief of Staff & General Counsel	51
<b>B</b>	Climate Change (Emissions) & Energy Transmission Impact	Production Liquidity	–	2 4	Board	52-53
<b>C</b>	Production and Reserves Risk	Production Liquidity	–	4	Executive Directors	53
<b>D</b>	Development Risk	Production	–	3	MD & COO	54
<b>E</b>	Counterparty/Contractor Exposure	Production Cash from Operations Liquidity	–	1	MD	54
<b>F</b>	Commercial Risk - Oil Price Risk	Production Cash from Operations Liquidity	↑	2 4	Board	54
<b>G</b>	Customer Concentration Risk	Cash from Operations Liquidity	–	3	CFO	55
<b>H</b>	Competition Risk and Cost Inflation	Liquidity Operating Cash Flow	–	2 3	EMT	55
<b>I</b>	Regulatory/Fiscal Risk	Reputational	–	1	EMT	55
<b>J</b>	Major breach of business, ethical, or compliance standards	Cash from Operations Liquidity	–	1 2 4	EMT	56
<b>K</b>	Cash Flow & Financing Risk	Cash from Operations Liquidity	–	3 4	CFO	56
<b>L</b>	Operational Risks	Production	–	1 2 3	COO	57

- 1 Retain Integrity.
- 2 Efficiency & Sustainability.
- 3 Monetise our Resources.
- 4 Scale & Relevance.

Refer to Our Strategic Objectives & Priorities on pages 14-15.

## Risk Details

Area	Potential Impact	Mitigation
<b>A</b> <b>HSSE</b>	<p>Management of HSSE risk exposure is key and of paramount importance to Management. As a participant in the Onshore and Offshore development and production of oil, the Group is exposed to material risk in the event of a major safety incident, operational accident, weather related/natural disasters, pandemics, social unrest, any failure to comply with approved policies/ processes or other external cause. Should such risks materialise, the consequences could be loss of life, injuries, environmental damage, disruption to activities, reputational damage and financial loss.</p>	<p>These HSSE risks are managed through the Group's dedicated HSSE personnel and the Group's risk management and internal controls alongside third parties such as contractors and other operators the Group may partner with. The Group has insurance in place to cover such exposure up to recommended industry limits but should an incident occur of a scale in excess of these recommended limits then the Group would be fully exposed to the financial consequences. A comprehensive HSSE update is provided to the Directors at every Board meeting, being one of the first items on the Agenda. In addition to this the Board is updated via monthly Board calls on HSSE statistics.</p>
<b>COVID-19</b> <b>Pandemic</b> <b>Impact</b>	<p>Pandemics are large-scale outbreaks of infectious disease that can greatly increase mortality rates over a wide geographic area and cause significant economic, social, and political disruption. Evidence suggests that the likelihood of pandemics has increased over the past century because of increased global travel and integration, urbanisation, changes in land use, and greater exploitation of the natural environment.</p> <p>The COVID-19 virus is zoonotic, which is a member of the coronavirus family that made the jump from animals to humans. The virus was first medically traced in China in November 2019 and, unusually for a coronavirus, appears to transmit effectively in humans. The World Health Organisation ("WHO") officially declared COVID-19 a pandemic on 11 March 2020 as the virus has a higher mortality rate than common illnesses such as the seasonal flu. The combination of coronavirus's ability to spread and cause serious illness has prompted many countries to introduce or plan extensive public health measures aimed at containing and limiting the impact of the pandemic through social distancing and placing restrictions on social interaction. Effective 22 March 2020, the GORTT closed T&amp;T borders to both international and national travellers via the air bridge and sea ports. Subsequently, the operation of only essential services were approved by the GORTT (which includes oil and gas companies within T&amp;T) from 30 March 2020. The GORTT also prohibits groups of more than five persons to congregate at the same location effective 31 March 2020. In May 2020 the University of Oxford published a research note that ranked T&amp;T first on a list of countries based on their preparedness to lift physical distancing measures. During February 2021 the WHO recognised T&amp;T for its exceptional response to COVID-19. As at 16 May 2021, T&amp;T has had 16,255 confirmed cases, all of whom have been placed under quarantine for treatment, and 285 deaths.</p> <p>Trinity had effective 13 March 2020, implemented WFH arrangements for administrative staff, suspended all international travel and ensured any local travel is kept to the minimum required to maintain operations in the fields with appropriate physical distancing being adhered to. These measures have not, to date, had an adverse impact on the Group's operations, but the situation continues to be monitored carefully by Management and further measures may need to be put in place as and when required.</p>	<p>Trinity's objective is to provide a safe and healthy place of work for all staff members and to meet all our duties and obligations to stakeholders. It is Trinity's intention to protect our employees from ill health at our offices and operations. The Group will seek to ensure that all requisite contingency plans are implemented, to execute adjusted working arrangements in order to flatten transmission curves and provide appropriate guidance to all staff until clearance to premises and operations has been communicated.</p> <p>Trinity has addressed operational requirements given the pandemic situation as follows:</p> <ol style="list-style-type: none"> <li>1. Implemented pre-access screening of all employees, contractors, sub-contractors and suppliers to anticipate suspected and potential cases.</li> <li>2. Business Continuity Planning developed for all assets to consider scenarios of suspected and confirmed cases.</li> <li>3. COVID-19 protocols implemented for staff to observe in conducting operations.</li> <li>4. Response Plans and drills conducted on all assets for the potential suspected case on duty.</li> <li>5. Continual contact with the Ministry of Health of Trinidad and Tobago ("MOH") and other health and emergency professionals.</li> <li>6. Sanitisation stations installed and heightened sanitisation implemented at all assets.</li> <li>7. Work at Offices guidelines and protocols.</li> <li>8. Reinforced WFH Policy where applicable for employees working remotely.</li> <li>9. Face to face meetings to be conducted as a last resort based on business needs (assessed by criticality).</li> <li>10. Recommended usage of all communication networks and infrastructure implemented by the Group.</li> </ol>

## Risk Management and Internal Controls (continued)

Area	Potential Impact	Mitigation
<b>B</b> <b>Climate Change (Emissions) &amp; Energy Transition Impact</b>	<p>Our methods of adapting to climate change can be addressed by considering two main areas:</p> <ol style="list-style-type: none"> <li>1) Hydro-meteorological events: Trinidad is the southernmost country in the Caribbean Region which is prone to hydro-meteorological events including changing precipitation patterns, tropical waves escalating to more intense weather events such as tropical storms and (very rarely) hurricanes which can create storm surges and flooding (which are themselves potential indicators of a changing tropical climate). Offshore on the East Coast, we have infrastructure that faces the Atlantic Ocean and as such, have exposure with regards to personnel housed offshore and the potential for infrastructural damage and follow-on operational impacts. The safety of employees is of paramount importance to the Group.</li> <li>2) Geological phenomena: The Central Range fault zone is closely associated with the El Pilar fault zone which geologically separates the Caribbean and South American tectonic plates. These fault zones and associated smaller fault zones makes Trinidad prone to dynamic geological phenomena including earthquakes which can result in soil liquefaction, mud volcanoes and mud flows and asphalt seepage which can impact our Onshore and West Coast assets. Over the last four years, heightened geological activity has been noted in terms of earthquakes with dormant mud volcanoes becoming active and liquefaction taking place in Southern Trinidad.</li> </ol>	<p>The safety of employees is of permanent importance to the Group. In June 2017, Trinity was affected by Tropical Storm Bret and the Company implemented its robust Hurricane Evacuation Plan to have the employees evacuated and the Trintex Field shut in. This was all done effectively, safely and according to the Plan. In terms of future development plans for the Galeota asset development, SCADA implementation will reduce the need for manned operations offshore which will create a more cost effective safe and efficient infrastructure, enabling Trinity to better withstand changing weather patterns.</p> <p>Trinity has Disaster Management Plans in place to deal with these types of events should they occur in our fields or in our offices. Trinity has also partnered with The University of the West Indies ("UWI") at St. Augustine Seismic Research Centre to conduct sponsored studies adjacent to our operated fields which can also aid in our understanding of these natural phenomena, build proactive response capacity and assess possible impacts on field development planning.</p>
	<p>There are many uncertainties in energy transition, including the pace of the transition. New technologies, stricter climate change policies and new entrants may disrupt the energy industry.</p> <p>Despite these uncertainties, Trinity believes that the demand for lower emission oil will remain strong for quite some time whilst the supply will become increasingly challenged as the Majors divert capital expenditure towards diversifying their revenue streams. That being said, Trinity is aligning its business to the energy transition challenge by making its existing operations less carbon intensive and also pursuing wider energy initiatives addressing both inputs and outputs from its energy supply plan (i.e. renewable power supplies and transition fuels). Furthermore, Trinity believes that nothing prepares the business better for uncertainty than responsiveness and innovation, allowing Trinity to adapt to a changing energy world.</p>	<p>Our methods to mitigate climate change (emissions) and the energy transition are an extension of our ESG approach previously mentioned:</p> <ol style="list-style-type: none"> <li>1. Water disposal and recycling methods: During normal production and drilling programmes there is a certain amount of water produced which must be firstly analysed and assessed for components such as soluble and non-soluble oil/organics, suspended solids, dissolved solids, and various chemicals. Once the effluent water can be recycled it can be used for activities such as WO operations. Trinity is also reviewing options for enhancing water treatments and applicable disposal systems which would have less impact to the ecosystems once released. The latter also forms part of Trinity's Improved Oil Recovery ("IOR") Projects such as waterflooding reservoirs to increase oil recovery. This method can also effectively and safely dispose of the produced water from the fields.</li> <li>2. Gas recycling: Gas is a by-product of oil production. Trinity is looking at ways of harnessing that energy. On our West Coast assets this is important as gas can be re-injected to facilitate a more efficient method to lift our oil and better maintain pressure in our wells.</li> </ol>

Area	Potential Impact	Mitigation
<p><b>B</b></p> <p><b>Climate Change (Emissions) &amp; Energy Transition Impact (continued)</b></p>		<ol style="list-style-type: none"> <li>3. Trinity is looking into methods of harnessing gas from our other assets as a primary source of energy to sell or use internally to power our fields.</li> <li>4. Trinity is also looking into renewable energy solutions/sources of energy for its existing and potential future assets.</li> </ol>
<p><b>C</b></p> <p><b>Production and Reserves Risk</b></p>	<p>The Group aims to manage natural production decline and grow production via RCPs, WOs, reactivations, swabbing and infill drilling. There is a risk that these measures do not deliver on prognosis and therefore production performance is below expectations for a variety of reasons including geological uncertainty, reservoir and well performance.</p> <p>The Group produces from a significant number of wells within multiple fields both onshore and offshore and so is not reliant on any one well or field. However, certain wells and fields do contribute disproportionately to overall Group production. If mechanical or technical problems, force majeure (earthquakes, storms or other events) or problems affect the production on one or more of these key wells or fields, facilities or the downstream infrastructure, it may have direct and significant impact on a substantial portion of the Group's production. Long-term unscheduled or scheduled shutdowns of production may have a material impact on the business, as the Group will lose production income whilst also bearing its share of any continuing fixed operating expenditure along with associated remedial or repair works which may be unquantifiable at the outset and/or subject to cost overruns.</p> <p>The estimation of proved oil and gas reserves involves subjective judgements and determinations based on available geological, technical, contractual and economic information. Estimates could change because of new information from production or drilling activities, or changes in economic factors, including changes in the price of oil or gas and changes in the regulatory policies of host governments, or other events. Estimates could also be altered by acquisitions and divestments, new discoveries, and extensions of existing fields as well as the application of improved recovery techniques. Published proved oil and gas reserves estimates could also be subject to correction due to errors in the application of published rules and changes in guidance. Downward adjustments could indicate lower future production volumes and could also lead to impairment of assets. This could have a material adverse effect on our earnings, cash flows and financial condition.</p>	<ol style="list-style-type: none"> <li>1. The Group continues to seek to balance these risks by maintaining and building a portfolio of assets that carry a range of differing technical and commercial risks.</li> <li>2. The Group ensures it has a wide suite of measures to minimise natural decline and grow production by having a dedicated technical team to continually review wells, optimise targets and generate and high grade new drilling targets.</li> <li>3. Production risks are mitigated by production being spread over 284 currently producing wells throughout three distinct locations (Onshore T&amp;T, Offshore East Coast T&amp;T and Offshore West Coast T&amp;T). These risks are further mitigated by production coming from multiple reservoirs and the deployment of a range of production methodologies.</li> <li>4. Effective management systems in place governing geoscience, reservoir and well engineering, and production operations activities. These include rigorous production forecasting and reporting, field and well performance monitoring and internal reserves auditing.</li> <li>5. Risks to production levels from the COVID-19 pandemic are being mitigated through cost reductions with plans in place to ensure operating break-evens align with oil prices and sustain positive cash balances.</li> </ol>

## Risk Management and Internal Controls (continued)

Area	Potential Impact	Mitigation
<p><b>D</b> <b>Development Risk</b></p>	<p>The Group is participating in certain development projects, most notably the TGAL discovery offshore development (the proposed Echo Platform development). The Group's ongoing development projects may, once they have reached the FID stage, involve advanced engineering work, extensive procurement activities and complex construction work to be carried out under various contract packages at different locations, both offshore and onshore. Furthermore, the Group (together with its licence partners), might be required to carry out drilling operations, install, test and commission offshore installations and obtain governmental approval to take them susceptible to delays or cost increases. The current or future projected target dates for production commencement may be delayed and significant cost overruns incurred due to delays, changes in development scope, technical challenges, actual reserves being less than estimated, project mismanagement, equipment failure, natural disasters, political, economic, taxation, legal, regulatory uncertainties, terrorism and protests, which again may materially adversely affect the Group's future business, operating results, financial condition and cash flow. Ultimately, the Group may be unable to meet its ongoing share of project expenditures and be forced to withdraw and/or default on its committed obligations, which would have a material adverse effect on the Group.</p>	<p>The Group is seeking to limit its exposure to any one aspect of development risk by taking projects forward in a measured and sequential manner, with FEED studies where possible outsourced to larger international contractors. The limited number of projects expected to be undertaken at any one time ought to reduce the probability of a significant development risk materialising. For larger development project, and in keeping with oil industry practices, the Group would seek one or more partners</p>
<p><b>E</b> <b>Counterparty/ Contractor Exposure</b></p>	<p>Many aspects of operations and projects in the oil industry are undertaken by third party contractors and facilitated by suppliers. We rely on these counterparties to deliver on time, within budget and to a sufficient quality in a safe and ethical manner. Failure by counterparties to deliver on their commitments on time and within budget creates a risk of delay and/or overspend on any given project. The Covid 19 pandemic has further exacerbated the risk of counterparty failure to deliver on time and on budget and the risk of counterparty default/failure.</p>	<p>In order to mitigate this risk the Group splits development expenditures into competitive packages for products and services from a carefully selected set of suppliers. Where appropriate the Group will also enter into fixed cost turn-key supply arrangements. As the Group continues to navigate this period of uncertainty, Management are confident that our demonstration of agility, adaptability and alignment have placed Trinity in an advantageous position as it relates to managing counterparty/contractor risk.</p>
<p><b>F</b> <b>Commercial Risk – Oil Price Risk</b></p>	<p>The market price of oil is affected by global supply and demand, can be very volatile and has the potential to be at a level below operating break-even of the Group for a protracted period. A fall in the price may not only reduce short-term cash flow required to meet the Group's commitments as they fall due, but also reduce the economic value and funding capacity of the Group's projects potentially rendering them uneconomic. There is particular risk given the long-term nature of development projects and associated contracts or acquisitions based on assumed future oil prices. In the event that oil prices remain low over long term, the value in use of certain assets might need to be revised and there could be a negative on the Group's net asset value, profitability and compliance with financial ratios. Conversely, an increase in the price of oil has a positive impact of the Group's result.</p>	<p>Where and when appropriate the Group puts in place suitable hedging arrangements to partially mitigate the risk of a fall in oil prices. However, such arrangements only cover the short-term, leaving the Group exposed to any longer-term protracted period of low oil prices. The Group therefore seeks to maintain a low operating break-even to provide a natural operational hedge to mitigate against prolonged periods of low oil prices. This ensures Trinity's investment opportunities are robust to most plausible downside oil price scenarios.</p>



Area	Potential Impact	Mitigation
<p><b>G</b></p> <p><b>Customer Concentration Risk</b></p>	<p>Whilst oil is an internationally traded commodity, Trinity currently sells 100% of its oil production to Heritage under evergreen COAs, which give rise to customer concentration risk. As is the case for other T&amp;T E&amp;P companies, Trinity is contractually obligated to sell all production under its LOAs and FOA (Onshore) to Heritage but has the right to market production from its E&amp;P licences (Galeota, Brighton Marine and PGB) to third parties.</p>	<p>Trinity takes comfort that Heritage, while a producer of its own oil, is also an aggregator of significant additional volumes and Trinity's production therefore forms part of their overall crude marketing strategy. The possibility that Heritage is prevented from purchasing Trinity's production for a short period has been considered both operationally and financially. While the impact of a prolonged period where Heritage is unable to purchase Trinity's production would be significantly challenging, this scenario is seen as having a very low probability of occurring.</p>
<p><b>H</b></p> <p><b>Competition Risk and Cost Inflation</b></p>	<p>There remains strong competition within the petroleum industry for the acquisition of good quality hydrocarbon assets. The Group competes with other oil and gas companies, many of which have greater financial resources than the Group, for the acquisition of such properties, licences and other interests as well as for the recruitment and retention of skilled personnel. The challenge to Management is to secure assets and recruit and retain key staff without having to pay excessive premiums.</p> <p>In the current market many capital and operating costs have decreased and, given the rapid decline in hydrocarbon prices, we can expect a deferral of cost inflation which may have a positive impact on the cash required for economically viable projects.</p>	<p>In formulating bids to acquire assets, the Group utilises experienced senior professionals within the Group to ensure that any bids are submitted at a competitive price that reflects the potential risked asset value and can generate appropriate returns for the Group's shareholders. Prior to any asset being evaluated, Management will review the target to ensure it fits within robust economic parameters and overall strategic direction of the Group.</p> <p>To benefit from new opportunities, and in keeping with oil industry practices, the Group partners with other oil companies as part of the process for evaluating permits from the competent authorities.</p> <p>This also allows it to share the associated costs.</p>
<p><b>I</b></p> <p><b>Regulatory/ Fiscal Risk</b></p>	<p>The Group enters into commitments assuming a relatively stable fiscal regime and any material change represents a risk to the Group's ability to fund its operations and projects.</p>	<p>The Group operates in a jurisdiction with sophisticated tax authorities capable of assessing the adverse impact of any change in legislation before it is enacted.</p> <p>The revised threshold for Supplemental Petroleum Tax ("SPT") for small onshore producers has now been implemented via The Finance Act No. 30 of 2020 which came into effect on 1 January 2021. As a result, the threshold at which SPT would be due for individual producers producing less than 2,000 barrels of crude oil per day has now increased from USD 50.0 /bbl to USD 75.0/bbl for the financial years 2021 and 2022. Trinity expects to be exempt from SPT across all of its onshore licences below USD 75.0/bbl, which will have a significant positive impact on future cash flows. Based on current onshore production levels, Trinity estimates that SPT of c.USD 3.5 million per annum or more would previously have been payable if realisations were above USD 50.01/bbl (although this could be partially mitigated by the investment tax credits shelter). The confirmation of these reforms therefore represents a considerable boost to potential cash generation from Trinity's onshore licences should realisations average above USD 50.01/bbl for any calendar quarter during 2021 and 2022.</p>

## Risk Management and Internal Controls (continued)

Area	Potential Impact	Mitigation
<p><b>J</b></p> <p><b>Major breach of business, ethical, or compliance standards</b></p>	<p>The Group is subject to or has adopted numerous requirements and standards including the UK Bribery Act, UK AIM Market Rules, UK QCA Code, and the Disclosure and Transparency Rules, among others. Additionally, some of our stakeholders, such as financial institutions, may require us to comply with other requirements or ask us to provide information on our business, operations, employees and shareholders as part of Know Your Client ("KYC") procedures.</p> <p>Failing to comply with onerous regulations and requirements, such as failure to implement adequate systems to prevent bribery and corruption or money laundering, could result in prosecution, fines or penalties imposed on the Group or its officers, suspension of operations or listing. Inability to clear KYC procedures to the satisfaction of the third parties may result in refusal to engage in business relationships with the Group.</p>	<p>The Group seeks to mitigate these risks through a number of measures and processes.</p> <p>The Chief of Staff &amp; General Counsel is responsible for compliance and, with the support of the Board, implements compliance-related activities and procedures. Such activities focus on training, monitoring, risk management, due diligence and regular review of policies and procedures.</p> <p>We prohibit bribery and corruption in any form by all employees and by those working for and/or connected with the business. Employees are expected to report actual, attempted or suspected bribery or other issues related to compliance to their line managers.</p> <p>In dealing with third parties, our policy is to maximise transparency and provide all information available to address KYC-related procedures and requests.</p>
<p><b>K</b></p> <p><b>Cash Flow &amp; Financing Risk</b></p>	<p>The ability to finance firm commitments, participate in the Group's developments (notably TGAL discovery development via the proposed Echo platform)) and generally develop the Group's business depends upon:</p> <ol style="list-style-type: none"> <li>1. Cash flow from the Group's producing assets: cash flow is dependent upon a combination of factors including field performance (both reservoir and facilities), oil prices, fiscal regime and operating costs, much of which are substantially beyond the control of the Group.</li> <li>2. Financing from the equity capital markets, debt finance, farm downs and other means. A number of the Group's development commitments and infill opportunities are long term in nature and there is no assurance that the Group will be successful in generating or obtaining the required financing to undertake these initiatives. In those circumstances some license interests may be relinquished, sold at an undervaluation and/or the scope of operations reduced or ultimately the Group may default on its obligations. In the event that sufficient funds are not available to finance the business, it would have a material adverse effect on the Group's financial condition and its ability to conduct operations.</li> <li>3. Recoverability and timing of outstanding VAT refunds from the BIR.</li> </ol>	<p>The Group seeks to mitigate these risks through a number of measures including:</p> <ol style="list-style-type: none"> <li>1. maintain a diverse portfolio of oil and gas producing interests;</li> <li>2. rigid financial discipline and maintaining a strong balance sheet and cost control culture;</li> <li>3. regular review of short-term and longer-term cash flow forecasts by Management;</li> <li>4. the Board reviewing and approving the financial strategy of the Group; and</li> <li>5. maintaining strong relations with its shareholders, banks and the BIR.</li> </ol> <p><b>BIR VAT Refunds Update</b></p> <p><b>1. VAT Bonds Update</b></p> <p>The national budget in October 2019 announced commencement of the issuance of VAT Bonds during Q2 2020 as a measure to supplement for the equivalent of VAT Refunds owed by the GORTT to organisations prior to 2020. The GORTT VAT bond regulations were published early April 2020 announced the intention to issue transferrable VAT Bonds with an interest rate of 3.3% per annum payable 30 June and 30 September 2020. Trinity would have submitted its VAT Bonds applications to the BIR for TTD 18.5 million (USD 2.7 million equiv.). These VAT Bond certificates were received 29 May 2021 and subsequently transferred to First Citizens Investment Services Limited (monetised for cash equivalent) during June 2020.</p> <p><b>2. VAT Refunds Update</b></p> <p>VAT refunds payments continue processed by the BIR from 2020 onwards. As at 30 April 2021, the VAT refunds outstanding from the BIR amounts to TTD 19.1 million (USD 2.8 million equiv.) for the period January 2020 to March 2021.</p>

Area	Potential Impact	Mitigation
<b>L</b> <b>Operational Risks</b>	Trinity operates five LOAs across its Onshore Assets with Heritage, which were due to be renewed by 31 December 2020. Although Trinity has no reason to believe that the LOAs will not be renewed, there can be no certainty that this will be the case and the current COVID-19 disruption has led to delays to the renewal process.	During 2020, Trinity were in ongoing discussions with Heritage and obtained LOA extension letters in December 2020 and March 2021 to continue as operators for WD 2, WD5/6, WD 13 and WD 14 for a period of 4 months until 31 May 2021 during which the process to close off the new LOAs with Heritage was expected to conclude. A 2 year extension was granted for FZ2 until 31 December 2022.

# 03

## GOVERNANCE

# Our Governance

## Directors' Statement under Section 172(1) of the CA 2006

Section 172 (1) of the CA 2006 obliges the Board to promote the success of the Group for the benefit of the Group's members as a whole. The section specifies that the Board must act in good faith when promoting the success of the Group and in doing so have regard (amongst other things) to:

- the likely consequences of any decision in the long term,
- the interests of the Group's employees,
- the need to foster the Group's business relationship with suppliers, customers and others,
- the impact of the Group's operations on the community and the environment,
- the desirability of the Group maintaining a reputation for high standards of business conduct, and
- the need to act fairly between members of the Group.

The Board is collectively responsible for the decisions made towards the long-term success of the Group and how the strategic, operational and risk management decisions have been implemented throughout the business.

## Engagement

The Board recognises that employees are one of the key resources which enables delivery of the Group's vision and goals.

2020 was a particularly challenging year globally with the COVID-19 pandemic. The Board has supported its workforce throughout the year to help keep all employees, contractors and others who engage with the Company safe during this period of uncertainty. The Board reviewed the position, receiving regular updates from Management as to the steps being taken to ensure safety within the workforce, both with the offices and out in the field.

Annual pay and benefit reviews are carried out to determine whether all levels of employees are aligned to the benchmarks in the industry relevant to our size and type of business and to retain and encourage skills vital for the business. The Remuneration Committee oversees and makes recommendations regarding executive remuneration and long-term share awards. During 2020 awards were issued under the Company's long term incentive plan to certain individuals within the executive management team. The awards are to encourage and incentivise senior members within the organisation and are based on total shareholder return to align their interests with shareholders. The Board encourages Management to foster employee engagement and to provide necessary training in order to use their skills in the relevant areas in the business. The Remuneration Committee works to ensure that staff are appropriately rewarded to maintain engagement and commitment and during 2021 is undertaking a review of the Remuneration policy of the business with the assistance of an external consultant.

The Board acknowledges that a strong business relationship with suppliers and customers is an important factor for the Group's long term success. Whilst day to day business operations regarding suppliers and customers are delegated to the EMT, the Board sets directions and evaluates policies with regard to new business ventures and investing in research and development. The Board upholds ethical business behaviour across the business and encourages the EMT to require comparable business practices from all suppliers and customers doing business with the Group. During 2020 and through into 2021 there has been regular

engagement with key suppliers to ensure the ongoing safety and performance of the business as the Group implemented measures to ensure the protection of staff, including those working from home.

We update, and where appropriate seek feedback from, all key stakeholders via regular meetings and communications throughout the year. Specifically, in regards to shareholders, both retail investor events and institutional investor meetings are held during the year to provide updates and receive feedback. We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible their wishes are duly considered.

## Policies and process

The Board periodically and on a monthly basis reviews the HSSE measures implemented by the Group and the EMT's recommendations for better practices. Employees are informed of the results and are encouraged to feel engaged. The T&T employees are given the opportunity to participate in regular Town Hall Meetings, an open forum moderated by members of the EMT which takes place on a quarterly basis (and ad hoc as required). Employees' opinions and suggestions are considered and valued, particularly with regards to HSSE matters through the START card system. Throughout 2020, where at times engagement with staff in person was not possible, contact was maintained through virtual means, including virtual Town Hall meetings.

The importance of making all staff feel safe in their environment is maintained and a Whistleblowing Policy is in place to enable staff to confidentially raise any concerns freely and to discuss any issues that arise. Strong financial controls are in place and are well documented. Staff are annually provided with refresher courses to ensure that the issues of bribery and corruption remain at front of mind. The Audit Committee Chairman has assumed the role of Whistleblowing Officer.

## Information

The Board places equal importance on institutional shareholders and individual shareholders and recognises the significance of transparent and effective communications with shareholders.

As an AIM listed Group there is a need to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders.

The primary communication tool with our shareholders is through Regulatory News Service ("RNS"), on regulatory matters and matters of material substance. The Group's website provides information for stakeholders. Changes to the Board and Board Committees, changes to major shareholder information and Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") disclosure updates, are promptly published on the website to enable shareholders to be kept abreast of the Group's affairs. The Group's Annual Report and Notice of Annual General Meetings ("AGMs") are available to all shareholders and they are kept up to date. The Interim Report and other investor presentations are also available for the last six years and can be downloaded from our website.

The Board acknowledges that effective two-way communication with shareholders encourages mutual understanding and better connection with them. The benefits include improved transparency of information on the business and its performance, appropriate consideration of all shareholders views, as well as instilling trust and confidence to allow informed investment decisions to be made by the Board. The Group has a Corporate Development Manager who monitors and coordinates investor relations programmes.

## Directors' Statement under Section 172(1) of the CA 2006 (continued)

### Community and environment

The Board advocates the highest standards of care towards the communities in which it operates and is acutely conscious that the nature of the Group's business requires strong measures to be put in place to protect the environment. At its meetings, the Board reviews the HSSE Report of the Management and considers the impact of the Group's operations on the environment and the neighbouring community.

Our Corporate Social Responsibility ("CSR") philosophy is based on our core watchwords which stems from our vision to achieve our business goals of:

#### Behaviour:

Demonstrate professionalism, respect and fairness; conducting business in a socially responsible and ethical manner.

#### Rigour:

Initiate thought before action by promoting sustainability and proactively protecting the environment.

#### Purpose:

Fit for delivering our goals by engaging, learning from, respecting and supporting the communities and cultures within which people operate.

Any CSR initiatives being undertaken need to be aligned with our underlying philosophy, must be relevant and sustainable to audiences/target areas which are to be impacted by what we do and simultaneously be mutually beneficial to our operations.

### Training

Although the Group is incorporated in the UK and governed by the CA 2006, the Group's business operations are carried out in T&T which requires the Group to conform to statutory and regulatory provisions of both the UK and T&T. The Group has adopted the QCA Code and the Board recognises the need to maintain a high standard of corporate governance as well as to comply with the AIM Rules for Companies to safeguard the interest of the Group's stakeholders. Anti-corruption and Anti-bribery training are compulsory for all staff and contractors and the Anti-bribery statement and policy is contained in the Group's Employee Manual as well as on the Group's website. The Group's expectation of honest, fair and professional behaviour is reflected by this and there is zero tolerance for bribery and unethical behaviour by anyone related to the Group.

2020 and on-going performance: This continues to be a challenging time for many businesses, particularly in the oil and gas sector. Not only does the global pandemic continue to impact the economy but this was compounded during the first half of 2020 by the dramatic downturn in commodity prices. The Group has worked hard to ensure the stability of the business throughout this period. The Company has maintained production levels, sought to renew its licence extensions and progress projects to further the growth of the business.

On behalf of Board



**Bruce Dingwall, CBE**  
Executive Chairman

17 May 2021

## Stakeholder Engagement

Who	Why	What	Responsible	How we interact and respond					
				Websites, online platforms <sup>1</sup>	Social media <sup>2</sup>	AGMs, Site Visits and Road-shows	One on one meetings and interactive sessions	Emails, Newsletters, Employee Manual, Policies and Memos	Surveys
Stakeholder Group	Why it is important to engage	Key Issues / Significant topics raised							
<b>Employees</b>	<p>Undertake quarterly performance and ad hoc feedback meetings with employees.</p> <p>Undertake monthly departmental 'focal points' meetings.</p> <p>Operate an independent whistleblowing service.</p> <p>Company town halls and pulse surveys increased during COVID-19.</p>	<p>Operating, financial and ESG performance.</p> <p>Growth strategy and new business.</p> <p>Major project initiatives.</p> <p>Strategic and organisational announcements and changes.</p> <p>Training &amp; development</p> <p>Remuneration.</p> <p>HSSE training, reviews and updates.</p> <p>Team Building Sessions.</p>	Board & EMT			✓	✓	✓	✓
<b>Communities</b>	<p>Host formal and ad-hoc public consultations in order to understand and discuss local peoples' concerns.</p> <p>Support schools and less fortunate families.</p> <p>Operate grievance mechanisms to address community concerns.</p>	<p>Respect for local values and traditions.</p> <p>Community development initiatives, including those to stimulate economic development.</p> <p>Employment and procurement opportunities.</p>	EMT	✓			✓		✓
<b>Government &amp; Regulators</b>	<p>Government &amp; Regulators</p> <p>Direct engagement with local, regional and national government authorities regarding operations, environmental issues, permitting and other relevant topics.</p> <p>Provide monthly reports to MEEI.</p> <p>Reports to EMA.</p> <p>Meeting with BIR as required for payments and also discussions on fiscal reform.</p>	<p>Compliance with applicable laws and regulations.</p> <p>Employment opportunities and labour rights.</p> <p>Health and safety.</p> <p>Environmental stewardship.</p> <p>Licences and permitting.</p> <p>Taxation and royalties.</p>	EMT & Staff			✓	✓	✓	
<b>Customers (Heritage)</b>	<p>Quarterly review meetings are held with Heritage.</p>	<p>Safety performance.</p> <p>Training.</p> <p>Effluent results.</p> <p>Production performance in relations to MWOs/MPLs, ESDs, swab wells, Future plans, Inspections of facilities/wells.</p>	EMT & Staff			✓	✓	✓	
<b>Suppliers and Contractors</b>	<p>Meetings coordinated as required and ad-hoc.</p> <p>Formal correspondence issued to suppliers when processes and procedures are being revised and standardised.</p>	<p>Working conditions.</p> <p>Review and Assessments.</p> <p>HSSE discussions on issue and improvement.</p>	EMT & Staff				✓	✓	
<b>Partnerships</b>	<p>Meetings coordinated as required and ad-hoc.</p> <p>Formal correspondence issued as required.</p>	<p>Strategic Review and Assessments.</p> <p>General negotiations.</p> <p>Discussion and working groups.</p>	EMT & Staff	✓		✓	✓	✓	
<b>Shareholders and Investors</b>	<p>The primary communication tool with our shareholders is the Group's website, <a href="http://www.trinityexploration.com">www.trinityexploration.com</a>. Specifically, in regards to shareholders, both retail investor events and institutional investor meetings take place during the year to provide updates and receive feedback.</p>	<p>Operating, financial and ESG performance.</p> <p>Growth strategy and new business.</p> <p>Major project initiatives</p> <p>Strategic and organisational and changes.</p>	Board & EMT	✓	✓	✓	✓	✓	

1 (lived and recorded interviews and corporate presentations)  
2 (Twitter, LinkedIn)

## Corporate Governance Statement

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2020. We at Trinity believe that a strong corporate governance structure is critical to achieving our strategic goals and creating value for our shareholders. As Executive Chairman of the Group I have a keen interest in ensuring that an effective and focused Board leads the business and builds upon its successes to date.

Following the requirement by AIM that all AIM listed companies comply with a recognised corporate governance code, the decision was made by the Board that the Group would adopt the QCA Code. The Board believes the QCA Code to be the most appropriate recognised corporate governance code for the Group. During the year under review, the Board continued to uphold the principles of the Code and ensured that the Group complied with the QCA Code in all aspects of the business. Details of the principles of the Code and how the Group applies them are detailed within this report and also on the Group's website.

Strong corporate governance helps underpin the foundations of a successful business. The Board is committed to ensuring good corporate governance, at Board level and throughout the operations of the business.

As Executive Chairman it is my duty to ensure that good standards of governance are delivered and fed down throughout the organisation. The Board, as a whole, looks to instill a positive culture across the Group, delivering strong values and behaviours. The importance of delivering the Group's objectives in a manner consistent with our values is at the forefront of the Board's thinking, as is ensuring that this culture is fed down through the EMT and throughout the business. The principal risks facing the business, as set out on pages 50 to 57 of the Annual report are considered by the Board, recognising that strong

governance across the organisation, will help ensure a healthy culture across the business.

2020 was a particularly challenging year with the downturn in the oil and gas sector combined with the global pandemic. The Group has performed well throughout, maintaining operations in a safe environment throughout the business. The solid framework that Management has built over the last few years has helped the business continue to develop during a period of global uncertainty. The Board has continued to work effectively through this challenging period, increasing the number of Board meetings and ad hoc engagement to ensure that the strategy can continue to be delivered and goals met whilst ensuring the risks are monitored and a culture of support and safety is provided to all stakeholders, including employees, suppliers and the wider environment in which the business operates.

As the Group builds the next phase of development for the business, as Executive Chairman, I will work with the Board to cement the existing values that are in place and ensure that good corporate governance and strong principles continue to be present throughout the organisation, for the benefit of all stakeholders.



**Bruce Dingwall, CBE**  
Executive Chairman

17 May 2021



## QCA Principles

The Board recognises its responsibility for the proper management of the Group and is committed to maintaining a high standard of corporate governance, commensurate with the size and nature of the Group and the interests of its shareholders.

The Corporate Governance Code does not apply to companies admitted to trading on AIM and there is no formal alternative for AIM companies. However, the Quoted Companies Alliance has published the QCA Code, which includes a standard of minimum best practice for AIM companies and recommendations for reporting corporate governance matters. The Board have adopted the QCA Code which they consider appropriate given the size and resources of the Group.

The QCA has ten principles which the Group is required to adhere to and in relation to which the Group is required to make certain disclosures within its report and accounts and on its website, [www.trinityexploration.com](http://www.trinityexploration.com).

**This section outlines the ten QCA principles and identifies how Trinity adheres to each in detail:**

### 1. Establish a strategy and business model which promotes long-term value for shareholders

Trinity's strategy is focused on positioning the Group to create long-term shareholder value by developing and growing the resources base of our T&T based assets, whilst maintaining rigorous attention to cost control, capital deployment and value creation.

The Board keeps abreast of the key challenges associated with protecting the Group from unnecessary risk and securing its long-term future. We achieve this through regular reviews and meetings with all stakeholders, and the ongoing identification, evaluation and mitigation of risks. This is crucial to keeping the level of risk associated to activities within the Group to an acceptable level.

Our Business Model and Strategy is clearly articulated and outlined in page

27 of the Strategic Report and details of the key risks for the business and how these are mitigated can be found on pages 50 to 57.

### 2. Seek to understand and meet shareholder needs and expectations.

The Group welcomes the opportunity to maintain an ongoing open dialogue with its shareholders, to ensure that it is able to understand and meet shareholder needs and expectations.

General inquiries can be submitted directly to the Group or our PR advisors (Walbrook PR) by either calling +1 868 612 0067 or emailing [info@trinioil.com](mailto:info@trinioil.com) or [trinityexploration@walbrookpr.com](mailto:trinityexploration@walbrookpr.com). The Executive Directors and the Group's PR advisors seek to respond to shareholder queries directly (whilst remaining cognisant of the UK Market Abuse Regulations' restrictions on inside information and the requirements of the AIM Rules for Companies). Non-deal roadshows are arranged throughout the year to meet with existing and potential new shareholders to maintain, as much as possible, an ongoing dialogue. Despite COVID-19 this level of engagement has been maintained throughout 2020, using virtual platforms to engage with stakeholders.

Our Senior Independent Non-Executive Director, Nicholas Clayton is also available to discuss any issues or concerns that shareholders or other stakeholders may have regarding the Group's performance and its governance arrangements. Arrangements can be made to get in direct contact with Nicholas Clayton by calling +44 131 240 3860.

Our AGM\* is an annual opportunity for all shareholders to meet with the Executive Chairman and other members of the Board, including the Managing Director and the Senior Independent Non-Executive Director. The meeting is open to all shareholders, giving them a forum for two-way communication and the opportunity to raise issues during the formal business or more informally following the meeting.

At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provide voting shareholders with an opportunity to vote in advance of the AGM if they are unable

to vote in person. Our registrar, Link Asset Services, count the proxy votes which are properly recorded and the results of the AGM are announced through a Regulatory News Service ("RNS").

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Group's AGM are as much as possible within the recommended guidelines of the QCA Code. In the event that a significant proportion of votes was ever cast against a resolution, the Group would, on a timely basis, provide an explanation of what actions it intends to take to understand the reasons behind that vote result, and where appropriate, any different action it has taken, or will take, as a result of the vote.

### 3. Take into account wider stakeholder and social responsibilities and their implications for long term success

The Board recognises that the long-term success of the Group is dependent upon the efforts of its Management and employees, and those of our contractors, suppliers, Joint Venture ("JV") partners, and regulators and the position of the Group within the communities we operate within.

The Group is committed to being honest and fair in all its dealings with its employees, partners, contractors, suppliers and key stakeholders and encourages the same in return. The Group expects its employees, partners, suppliers and operators to adhere to business principles which are aligned to its own.

Delivery of our business model is underpinned by our core values of Behaviour, Rigour and Purpose:

**Behaviour:** that mirrors professionalism, respect and fairness by conducting business in a socially responsible and ethical manner;

**Rigour:** initiate thought before action by promoting sustainability and proactively protecting the environment; and

**Purpose:** fit for delivering our business goals by engaging, learning from, respecting and supporting the communities and cultures within which we operate.

Note(\*): In light of the COVID-19 pandemic the 2021 AGM will not be held in the usual format. The Company is making arrangements for the AGM, which will be held in accordance with the UK Government's guidelines in respect of social distancing and gatherings. The AGM Notice will advise shareholders of the details.

## QCA Principles (continued)

We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible their wishes are duly considered. Quarterly (or ad hoc as required) T&T Town Hall Meetings are held with employees and attended by members of the EMT and any visiting Board members. Employees are given an opportunity to participate in an open forum and their opinions and suggestions are considered and valued, particularly with regards to HSSE matters through the START Card system. Despite the challenges of the COVID-19 pandemic engagement has been maintained with employees to ensure not only the on-going success of the business but the welfare of our staff and their families, both mentally and physically.

The Board advocates the highest level of care given to the community in which the business operates and are mindful of the nature of the business and the need to ensure strong HSE measures are in place to protect the environment in which the Group operates. The CSR philosophy of the Group is fed down from the Board throughout the organisation. During 2020 the Group engaged with the local community, providing food supplies to local communities. The business supports the local schools in the Galeota community, providing supplies and sponsoring the Local Schools Rewards and Recognition Programme.

### 4. **Embed effective risk management, considering both opportunities and threats, throughout the Organisation**

The Board understands that the Group's financial standing and reputation may be impacted by various risks, not all of which are within its control. It believes that the principal risk categories for the business are: corporate/strategic; operational (exploration, development and operating); financial; political/regulatory; HSSE and management/organisational. The risk management framework and processes adopted by the Board involves the identification, assessment, mitigation, monitoring and reporting of all key risks on a regular basis to minimise the impact of such risks. An element of risk is inherent to the Group's activities of oil and gas exploration and development and as such the Board has established formal arrangements for determining the extent of exposure to the risk.

The Board is responsible for regularly reviewing and considering the key risks and uncertainties facing the business. Newly identified risks are noted and communicated throughout the organisation. The principal risk areas for the business and the respective mitigating actions are listed in the key risks on pages 50 to 57. The risks of the business are considered by the Audit Committee and the Board as a whole. Certain aspects of the business risks are considered by the Board at each formal Board meeting, this includes HSSE and operational risks. When considering new projects the risks and opportunities both operationally and financially are considered by the Board and discussed at the relevant meeting. These discussions would usually include participation by members of the EMT who are involved with the project. The impact of Covid-19 on the business and the support being given across the business to employees, contractors and the wider environment in which the Group operates has been discussed by the Board at every meeting during 2020 and into 2021.

### 5. **Maintain the Board as a well-functioning, balanced team led by the chair**

The QCA Code requires that the boards of AIM companies have an appropriate balance between Executive and Non-Executive Directors of which at least two should be independent. The Board is currently six strong, and has a 1/3, 1/3, 1/3 balance between Executive, Non-Executive Directors and Independent Non-Executive Directors.

The Board believes that all of the Non-Executive Directors are independent in character and judgement and have the range of experience and calibre to bring independence on issues of strategy, performance, resources and standards of conduct which are vital to the success of the Group. However, two of the Non-Executive Directors (David Segel and Angus Winther) are not deemed to be independent under the QCA Code given their significant interests in the Group's shares.

During 2018 the Board appointed Nicholas Clayton as Senior Independent Non-Executive Director. This was an important step in bringing the governance structure of the Board more in line with the requirements of QCA Code and general good governance. Mr. Clayton's appointment

helped assist with the independence required given the Group has an Executive Chairman and two of the Non-Executive Directors are not deemed to be independent under the QCA Code.

The Board, led by the Executive Chairman, has the necessary skills and knowledge to discharge their duties and responsibilities effectively, setting clear expectations and ensuring stringent measures for corporate governance standards are met particularly in relation to executive remuneration, accountability and audit.

The Board meets as regularly as necessary. It has established an Audit Committee and a Remuneration Committee, particulars of which appear hereafter. Appointments to the Board are made by the Board as a whole and so the Group has not created a Nomination Committee.

The Executive Directors are expected to devote substantially all of their committed working time to the duties of the Company. It is expected that the Non-Executive Directors dedicate approximately one day a month to the Company, although it is recognised that this may increase from time to time as the business demands.

Generally, the level of Board engagement has increased over the past year as the business is on a growth trajectory both operationally and strategically. During 2019 the Board commenced informal monthly meetings to enable the Non-Executive Directors to be more involved in core decision making between formal board meetings which involve approving quarterly updates, interim and annual financial accounts, budget and remuneration reviews.

### 6. **Ensure that among them the Board has the necessary up to date experience, skills and capabilities.**

The Board comprises the Executive Chairman, four Non-Executive Directors and one Executive Director, the Managing Director. The Board has significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to deliver the strategy of the Group for the benefit of the shareholders over the medium to long-term.

Whilst the Board recognises that having an Executive Chairman is not considered best practice under the QCA Code, Bruce Dingwall, CBE's role as a member of the EMT continues to be extremely important in leading the business forward. The Group at present does not have a Chief Executive Officer. The role of the Executive Chairman and the potential appointment of a Chief Executive Officer will continue to be reviewed periodically by the Board.

The Group is mindful of the issue of gender balance, although Board appointments are made with the primary aim of ensuring that the candidate offers the required skills, knowledge and experience. It is noted that there are currently no female members of the Board. However, the Group has a female Chief of Staff & General Counsel, Nirmala Maharaj, as well as a female Corporate Development Manager, Tracy Ann Mackenzie, in the EMT and embraces equality across the work place.

The Board is also mindful of the need for considering succession planning. Biography details of the Board of Directors are outlined on pages 68 to 69.

**7. Evaluate Board performance on clear and relevant objectives, seeking continuous improvement.**

Internal evaluation of the Board, its Committees and individual Directors is important and will develop as the Group grows in the future. The expectation is that, going forward, Board reviews will be undertaken on an annual basis to determine the effectiveness and performance in various areas as well as the Directors' continued independence. A formal Board review has not been carried out in the year ended 31 December 2020. The Board was reconstituted in 2017 and a further appointment of senior independent director was made in 2018 to further strengthening the composition of the Board.

Whilst the Board has not undertaken any formal training, this is something that will be considered as the business grows and the Board is further established. The Directors have a wide knowledge of the business and requirements of Directors' fiduciary duties. The Directors receive briefings and updates from the Group's advisors (Legal, Auditors, NOMAD and Broker) and the Group Secretary on

developments and initiatives as they deem appropriate. All Directors receive regular boardroom briefings from Trinity's Legal Advisors (Pinsent Masons LLP) and the Group's Auditors brief the Audit Committee on accounting and regulatory developments impacting the Group. Individual Directors may also engage external advisors at the expense of the Group upon approval by the Board in appropriate circumstances, although no such engagement was necessary during 2020.

**8. Promote a corporate culture that is based on ethical values and behaviours.**

The Directors are committed to promoting positive ethical values and behaviours across the Group as a whole. The Directors are mindful of the industry that the business operates in and take all issues of ethical values and behaviours very seriously. The Board is very aware that the tone and culture set by it will greatly impact all aspects of the Group's performance. The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact the long term performance of the Group. The importance of delivering success whilst maintaining a safe environment is continually stressed by the Board and the EMT.

Maintaining sound ethical values and behaviour is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this and seeks to ensure that this flows throughout the organisation. The Group's Employee Manual is in place, which is provided to staff as part of their induction and can be accessed at all times. Staff are made aware that they must adhere to the standards set out in the Group's Employee Manual at all times and are encouraged to ask questions and seek clarification on any uncertainties. The Board's assessment of the culture within the Group at the present time is one where there is respect for all individuals, open dialogue is actively encouraged and there is commitment to best practice and continuous improvement.

Annual Anti-corruption & Anti-Bribery training is compulsory for all staff and contractors and the Anti-bribery statement and policy is contained in the Group's Employee Manual as well as on the Group's website. The Group's

expectation of honest, fair and professional behaviour is reflected by this and there is zero tolerance for bribery and unethical behaviour by anyone relating to the Group.

A Whistleblowing policy is also in place which enables staff to confidentially raise any concerns. The Group considers it essential that all staff should be made to feel safe in their environment and therefore has the means available to freely discuss any issues that arise. Strong financial controls are in place and are well documented. Staff are annually provided with refresher courses to ensure that the issues of bribery and corruption remain at the forefront of peoples' mind. The Chair of the Audit Committee has assumed the role of Whistleblowing Officer. Arrangements can be made to get in direct contact with Angus Winther via calling +44 131 240 3860.

A Delegation of Authority ("DOA") is in place which details the authorisation process and accountability in the organisation detailing the financial, corporate and operational controls that are in place.

**9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.**

The Board retains full and effective control over the business and operations of the Group. The Board's regular schedule provides for five board meetings per annum. The Board also has monthly and ad-hoc calls to keep informed of business operations and macro-environmental concerns impacting the business. The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting and Board and Committee papers are typically distributed one week before meetings take place. Any Director may challenge the EMT's proposals and decisions are taken democratically after discussions. Any Director who feels that any concern remains unresolved after discussions may ask for that concern to be noted in the minutes of the meeting, which are then circulated the Board. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by EMT.

## QCA Principles (continued)

The Executive Chairman has overall responsibility for corporate governance and the promotion of high standards throughout the Group. He leads and chairs the Board, ensures that committees are properly structured and operate within the appropriate terms of reference. He also leads in the development of strategies and setting objectives and oversees communication between the Group and its shareholders.

The Senior Independent Non-Executive Director is an important interlocutor between shareholders and the Board, especially in cases where contact via the normal channel of the Executive Chairman or Executive Directors has failed to resolve an important issue. The Senior Independent Non-Executive Director also acts as a sounding board for the Executive Chairman and an intermediary for other Directors. He is responsible for holding regular informal meetings with other Directors and is responsible for leading the annual appraisal of the Executive Chairman's performance.

The Executive Directors are responsible for implementing and delivering the strategy and operational decisions agreed by the Board, making operational and financial decisions required in the day-to-day operation of the Group, providing executive leadership to the wider staff team, championing the Group's core values and promoting talent management.

The Non-Executive Directors and Senior Independent Non-Executive Director contribute independent thinking and judgement through the application of their external experience and knowledge, scrutinise the performance of EMT, provide constructive challenge to the Executive Directors and ensure that the Group is operating within the governance and risk framework approved by the Board.

As noted above the Board holds regular meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board, they include:

1. approval of the Group's strategic aims and objectives;
2. approval of the Group's annual operating and Capex budgets and any material changes to them;

3. review of Group performance and approving any necessary corrective action that is to be taken;
4. extension on the Group's activities into new business or geographical areas;
5. any decision to cease to operate all or any part of the Group's business;
6. major changes to the Group's corporate structure and management and control structure;
7. any changes to the Group's listing;
8. changes to governance and key business policies;
9. ensure maintenance of a sound system of internal control and risk management;
10. approval of half yearly and annual report, accounts and preliminary announcements of final year results;
11. review material contracts and contracts not in the ordinary course of business; and
12. Setting EMT pay and conditions, annual bonuses and awards under the Long Term Incentive Plans ("LTIPs").

The Board has approved the adoption of the QCA Code as its governance framework against which this statement has been prepared and will monitor the suitability of this Code on an annual basis and revise its governance framework as appropriate as the Group evolves.

The Board has a Remuneration Committee and Audit Committee, further details relating to which are set out below. The Board has made the decision not to have an HSSE Committee. HSSE is considered to be of the utmost importance to the Board and throughout the organisation. An HSSE report is provided and a verbal update given at every Board meeting, being one of the first items on the agenda. At present the Directors feel that HSSE matters being discussed by the Board in its entirety is of benefit. At some stage, especially if the operations of the business grow significantly, the decision may be made to establish an HSSE Committee.

### The Remuneration Committee

The Remuneration Committee is responsible for determining and recommending to the Board the

remuneration of the Group's Executive Chairman, Executive Directors and other members of the EMT. It is also responsible for the design of all share incentive plans and the determination of individual awards to Executive Directors and other EMT and the performance targets to be used.

The Remuneration Committee currently comprises of Nicholas Clayton (Chairman), James Menzies, David Segel and Angus Winther. The Committee generally meets twice a year.

### The Audit Committee

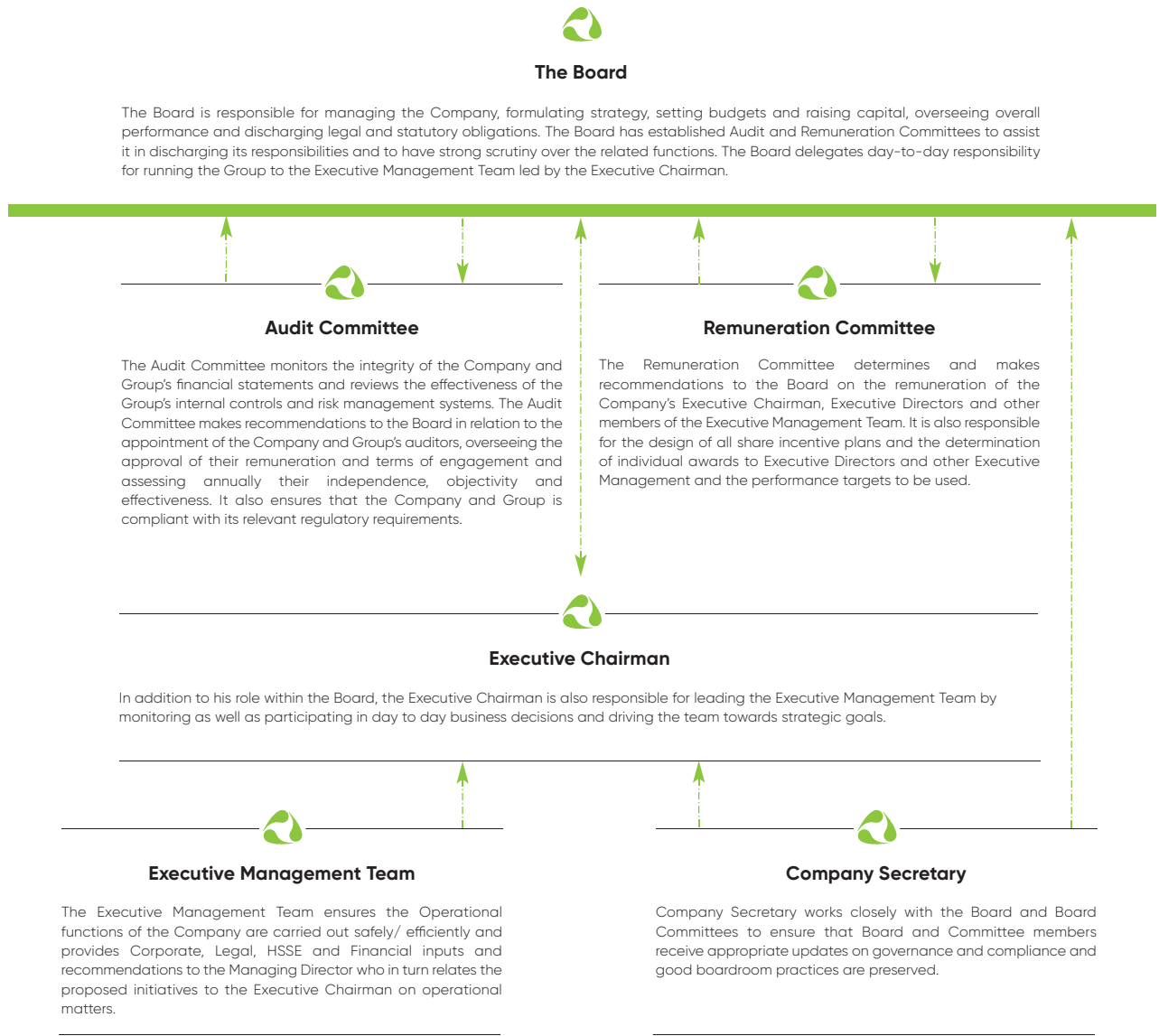
The main functions of the Audit Committee include monitoring the integrity of the Group's financial statements and reviewing the effectiveness of the Group's internal controls and risk management systems. The Audit Committee makes recommendations to the Board in relation to the appointment of the Group's auditors, overseeing the approval of their remuneration and terms of engagement and assessing annually their independence, objectivity and effectiveness. It also ensures that the Group is compliant with its relevant regulatory requirements.

The Audit Committee currently comprises of Angus Winther (Chairman), James Menzies, David Segel and Nicholas Clayton. The Audit Committee generally meets three times a year.

### 10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board places a high priority on transparent and effective communications with shareholders and all other stakeholders. As an AIM listed Group there is a need to provide fair and balanced information in a way that is understandable to all stakeholders. The Board recognises the importance of engaging with all stakeholders including investors, partners, suppliers, media, communities and the GORTT. We update and where appropriate seek feedback, from all key stakeholders via regular meetings and communications throughout the year. Refer to Stakeholder Engagement section on page 61 for further information.

**Corporate Governance Framework**



The Group's Annual Report and Notice of AGMs are mailed to all shareholders. The Interim Report and other investor presentations are also available for the last six years and can be downloaded from our website. Our shareholders are also kept up to date through RNS on regulatory matters and matters of material substance. Quarterly updates are provided to the market and any deviations to these updates are announced through RNS.

The Group also communicates with shareholders and potential investors through a variety of other methods including investor presentations, analyst meetings, PR media, emails and one-on-one and group meetings. The Executive Chairman and, as necessary, the Senior Independent Non-Executive Director liaises regularly with the Group's major shareholders and other relevant stakeholders and ensures that their views are communicated to the Board. Encouraging effective two-way communication with shareholders encourages mutual understanding and better connection with them. The benefits include improved transparency

of information on the business and its performance, appropriate consideration of all shareholders' views, as well as instilling trust and confidence to allow informed investment decisions to be made by the Board.

On behalf of the Board

**Bruce Dingwall, CBE**  
 Executive Chairman

17 May 2021

## Board of Directors

### Executive Directors

**Bruce Dingwall, CBE**  
Executive Director



(13 February 2013 to present)

Bruce holds dual citizenship as a Trinidadian (birthplace) and British (place of residency). He has over 30 years' experience in the oil and gas industry. Bruce founded Trinity in 2005 with the acquisition of Venture Production Plc's Trinidadian assets. Bruce founded Venture Production in 1997 around the central strategy of assisting the major operators in releasing value from assets that were, to them, no longer material. Venture was sold to Centrica for over USD 2.0 billion following a hostile takeover. At the time of the takeover Venture was producing 45,000 barrels of oil equivalent per day ("boepd") and had reserves of 225 mmbbls. Bruce is a Geologist and studied at Aberdeen University. He began his career with Exxon as a Geophysicist in the North Sea before moving to London and Scottish Marine Oil ("Lasmo") where he held numerous senior management roles in its South-East Asian operations.

**Jeremy Bridglalsingh**  
Executive Director



(11 January 2017 to present)

Jeremy is a Trinidadian and is a qualified accountant (Chartered Institute of Management Accountants ("CIMA"), 2006) with a BSc. in Management Studies from the University of the West Indies (2000). Prior to joining Trinity in 2012, he worked in financial services at PricewaterhouseCoopers (T&T) and Operis Group plc (London), mainly in an advisory role on various transactions across a number of jurisdictions. In the past 9 years with Trinity, he has held roles across the Financial, ICT and Supply Chain disciplines and assumed the role of CFO of Trinity in January 2016 and combined dual role of Managing Director effective March 2019. He officially handed over the CFO role in September 2020.

### Independent Non-Executive Directors

**Nicholas Clayton**  
Senior Independent  
Non-Executive Director  
Remuneration Committee Chairman



(28 November 2018 to present)

Nicholas is British and has provided strategic and corporate finance advice to, and has been a Non-Executive Director of, numerous public and private oil and gas companies since 2007. Prior to that, he held a series of senior oil and gas corporate finance roles, including Global Co-Head of Oil and Gas Corporate Finance for Canaccord Adams and Global Head of Oil and Gas Corporate Finance for Dresdner Kleinwort Wasserstein. He started his career with BP, before moving into financial services where he specialised in the oil and gas sector. He brings to the Board over 37 years of experience within the oil and gas sector both as a practitioner, a director, and as an adviser. He currently serves as a Non-Executive Director of Alpha Petroleum Resources Limited. Nicholas is the Chairman of Trinity's Remuneration Committee and a member of the Audit Committee.

## Non-Executive Directors

**James Menzies**  
Independent Non-Executive Director



(23 June 2017 to present)

James is British and is also a qualified Geophysicist. He brings to the Board a broad range of industrial and corporate expertise as he has 32 years of experience within the oil and gas industry both as a technical practitioner and as a Senior Executive. James is the former Chief Executive Officer of Coro Energy plc. James founded Salamander Energy plc in 2004 and was the Chief Executive Officer up until its takeover by Ophir Energy that valued the business at USD 850.0 million. James is a member of Trinity's Audit Committee and Remuneration Committee.

**David Segel**  
Non-Executive Director



(11 January 2017 to present)

David is an American businessman, investor and philanthropist. He is the Founding Partner of the Mako Group (est. 1999), a London based financial services business, and currently serves as the Mako Group's Chairman. He also operates a portfolio of businesses in media and technology. He co-founded Mpower Pictures, LLC in 2006, which is an independent motion picture production group. David serves on the board of Eastern Congo Initiative, a philanthropic organization dedicated to bringing sustainable clean water solutions and best practice medical clinics to the people of the Democratic Republic of the Congo. He attended Yale University and earned a B.A. in Physics and Philosophy in 1986. David is a member of Trinity's Audit Committee and Remuneration Committee.

**Angus Winther**  
Non-Executive Director  
Audit Committee Chairman



(11 January 2017 to present)

Angus is British and has spent 27 years working in the investment banking industry, primarily advising clients in insurance and financial services. He co-founded Lexicon Partners, a London based investment banking advisory firm, in 2000 and was closely involved in the leadership of that firm until it was acquired by Evercore in 2011. He served as a senior adviser at Evercore until October 2016, when he left the firm to pursue other interests. He is a Non-Executive Director of Hiscox Syndicates Limited (a Lloyd's managing agent) and the Ecclesiastical Insurance Office plc (a specialist insurance group) and trustee of several charities. He has a degree in Politics from Durham University. Angus is the Chairman of Trinity's Audit Committee and a member of the Remuneration Committee.

## Executive Management Team

**Bruce Dingwall, CBE**  
Executive Chairman



Bruce founded Trinity in 2005. Bruce is a Geologist and studied at Aberdeen University. He began his career with Exxon as a Geophysicist in the North Sea before moving to London and Scottish Marine Oil ("Lasmo") where he held numerous senior management roles in its South-East Asian operations.

**Jeremy Bridglalsingh**  
Managing Director



Joined Trinity in 2012. Chartered Management Accountant for c.15 years with previous financial services experience gained in the United Kingdom.

**Edouard Brain**  
Chief Financial Officer



Joined Trinity in September 2020. Edouard brings 20+ years of international financial experience, having previously held various senior roles at; Maurel & Prom, Perenco and PricewaterhouseCoopers (Paris).

**Nirmala Maharaj**  
Chief of Staff & General Counsel



Joined Trinity as the Legal Manager in 2012, served as Legal and Corporate Services Manager from 2014 and Country Manager from October 2015 to March 2019. She is an Attorney-at-Law by background with 20+ years experience.

**Rajesh Rajpaulsingh**  
Chief Operations Officer



Joined Trinity in 2011. Previously worked at Petrotrin and BPTT in various capacities. Petroleum Engineer by background for 16+ years.

**Tracy Mackenzie**  
Corporate Development Manager



Joined Trinity in 2014. Previously worked in Investment Banking at Panmure Gordon and various other UK financial institutions at a director level. Oil & Gas Analyst for 13+ years.



## Board Activities

The Board is responsible for full and effective control over the Group. The Board holds regular meetings at which financial, operational and strategic goals are considered and decided upon.

### Matters Reserved for the Board

- Approval of the Group's strategy and objectives;
- Approval of the Group's budgets, including operating and expenditure budgets;
- Growth of activities into new business or geographical locations;
- Material changes to the Group's structure and management;
- Changes to the Group's listing, governance or business processes;
- Reviewing the effectiveness of the Board and its Committees; and

- Setting EMT pay and conditions, annual bonuses and awards under the LTIPs.

### Time commitment

Board and Board Committee meeting dates are agreed at the beginning of the year. It is expected that all Directors attend all meetings of the Board and any committees of which they are members, as well as the AGM. It is also expected that Directors devote adequate time to prepare for Board/Committee meetings. Effective 2020, it is also anticipated that the Directors take part in annual visits to the Group's San Fernando Office, located in Southern Trinidad, meeting with administrative and technical personnel via face to face meetings

and as well as making site visits to well/drilling locations.

Whilst the Executive Chairman and the Executive Director are expected to devote substantially the whole of their time to their duties within the Group the Non-Executive Directors are expected to allocate sufficient time to the Group to discharge their responsibilities. Both Audit and Remuneration Committees are chaired by Non-Executive Directors who work closely with the Group Secretary in preparing agendas for the meetings and ensuring adequate advice and guidance is obtained in their respective areas.

The Directors' attendance at scheduled and ad hoc Board Meetings and Board Committees during 2020 is detailed in the table below:

### Directors' attendance

	Board Scheduled Meetings	Board Ad Hoc Meeting <sup>1</sup>	Audit Committee	Remuneration Committee
<b>Director Requirement</b>	<b>11</b>	<b>5</b>	<b>3</b>	<b>2</b>
Bruce Dingwall, CBE (Chairman)	11	4		
Jeremy Bridglalsingh	11	5		
Angus Winther	11	5	3	2
David Segel <sup>2</sup>	10	4	3	2
James Menzies	11	5	3	2
Nick Clayton	11	5	3	2
<b>Total meetings</b>	<b>11</b>	<b>5</b>	<b>3</b>	<b>2</b>

Notes: 1 Ad hoc meetings: Additional meetings called for a specific matter generally of a more administrative nature not requiring full Board attendance.  
2 Rational for absence is due to conflicting commitment.

### Relationship with Shareholders

The Board remains fully committed to maintaining communication with the Group's shareholders. There is regular dialogue with major shareholders and meetings following significant announcements.

The Group's website [www.trinityexploration.com](http://www.trinityexploration.com) contains all announcements, press releases, major corporate presentations and interim and year end results. The Group publishes the annual report and accounts each year which contains a strategic report, governance section, financial statements and additional information. The Annual Report is available on the Group's website and also available in paper format, on request.

The Board uses its AGMs to communicate with both private and institutional investors. All Directors attend the AGM and make it an opportunity to engage with shareholders, answer queries during the formal business of the AGM or to discuss more informally following the meeting. The shareholders are encouraged to attend and vote at AGMs or to appoint a proxy to represent them. Immediately after the AGM, the decisions made on the AGM resolutions are released to the market by RNS.

# Audit Committee Report

## Responsibilities of the Audit Committee

The Committee reviews and makes recommendations to the Board on:

- any change in accounting policies.
- accounting issues that require a major element of judgement or risk.
- compliance with accounting standards and legal and regulatory requirements.
- disclosures in the interim and annual report and financial statements.
- reviewing the effectiveness of the Group's financial and internal controls.
- appointment of the Group's external auditors.
- any significant concerns raised by the external auditor about the conduct or overall outcome of the annual audit of the Group.
- any matters that may significantly affect the independence of the external auditor.

## 2020 Highlights

- **Going concern assessment.**
- **Review and approval of key financial reporting issues, assumptions and judgements, particularly those relating to complex calculations including non-current asset impairments, provision for decommissioning and deferred taxes.**
- **Change of Auditor to BDO LLP following completion of year end 2019 Audit.**
- **Review of the BDO 2020 Interim Review Report.**

During the year, the Committee met three times and the members' attendance record at Committee meetings during the financial year is set out in the Board Activities on page 71. Although not a member of the Audit Committee, the Managing Director and Chief Financial Officer are invited to attend meetings. The Group's external auditors are also invited to attend Committee meetings, unless they have a conflict of interest.

An essential part of the integrity of the financial statements is the Going Concern assessment and the key assumptions, estimates and judgments made within the financial statements. The Committee reviews the Going Concern assessment and key assumptions, estimates and judgments prior to publication of both the interim and full year financial statements, as well as considering significant issues throughout the year. In particular, this includes reviewing any subjective material assumptions relating to the Group's activities to enable an appropriate determination of asset valuation, provisioning and the accounting treatment thereof. The Committee reviewed and was satisfied that the Going Concern assessment and judgments exercised by management on material items contained within the Report and Financial Statements are reasonable.

The Audit Committee has considered the Group's internal control and risk management policies and systems, their effectiveness and the requirements for an internal audit function in the context of the Group's overall risk management system. The Committee is satisfied that the Group does not currently require an internal audit function. However, it will continue to periodically review the potential need for an internal audit function. The Committee is assured that the robust internal financial controls, risk management and mitigation measures in place are sufficient and effectively communicated.

### Auditors

During the year, the Group undertook a competitive tender of the external auditor role, following which they appointed Binder Dijker Otte LLP ("BDO") to act as external auditors for the Group. The Group fee to BDO for the financial year to 31 December 2020 is USD 0.3 million.

The previous external auditors, PwC, were first appointed in 2013. The Group fees paid to PwC (mainly for advisory and audit handover) for the financial year to 31 December 2020 were USD 0.1 million.

### Policy on Auditor Appointments

#### Appointment of External Auditors

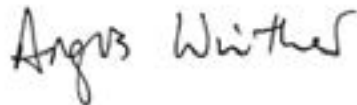
- External auditors are re-appointed annually, subject to a satisfactory review of their performance, independence and service proposal by the Audit Committee. The Audit Committee undertakes a comprehensive review of the quality, effectiveness, value and independence of the audit provided each year, seeking the views of the wider Board, together with relevant members of the EMT.
- Unless a change in external auditor is deemed appropriate in the intervening period, every five years the Audit Committee consider the appropriateness of putting the external audit out to tender, and will inform the shareholders as to their decision.

### Rotation of Audit Partners

The Group's external auditors are required to rotate their audit partners on a basis that allows them sufficient time to be fully familiar with the business, so that they can operate effectively and efficiently, but not be appointed in the role for so long that it may give the appearance of a lack of independence.

This policy requires the lead audit partner to rotate after a maximum period of five years, and all other partners including the review partner to rotate after a maximum period of seven years.

Each of the Group's subsidiaries also apply the same rotation policy.



#### Angus Winther

Chairman of the Audit Committee

17 May 2021

# Remuneration Committee Report

## Responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board regarding the framework for the remuneration of the Executive Directors and other members of EMT. The Committee works within its terms of reference, and its role includes:

- Review, evaluate, determine and agree with the Board, the Remuneration Policy for all Executive Directors and under guidance of the Executive Directors, other members of EMT.
- Ensure executive remuneration packages are competitive.
- Determine whether annual bonuses should be payable and recommending levels for individual executives.
- Determine each year whether any awards/grants should be made under the long-term incentive schemes, the value of such awards and their performance criteria.
- Agree Directors' service contracts and notice periods.

The Remuneration Committee utilises a range of tools and measures to frame its discussions and deliberations over all aspects of executive remuneration at Trinity. These include, but are not limited to, a review of executive remuneration in peer companies and surveys of executive remuneration for similar sized companies in other sectors. In addition, in 2021 the Committee has engaged an external consultant to review the remuneration of its key executives in a peer group context, in addition to commissioning a report on market trends in remuneration for executives UK market wide.

The salaries of the EMT were increased broadly in line with inflation in 2020 and have been held constant in 2021 reflecting the difficult operating environment.

The framework for determining executive bonuses is established by a challenging matrix of KPIs that are designed to align the interests of executives with the overall strategy of the Group. Typically, the scorecard involves 15 to 20 KPIs covering a range of strategic targets deemed critical to the business and falling within the following areas:

- Financial – including EBITDA per share and Operating break-even targets;
- Operational – including annual production targets and drilling objectives;
- HSSE – targets for LTIs and oilfield security breaches;
- Strategic – comprising major value accretive initiatives; and
- Corporate – includes investor relations and shareholder structure targets.

The Executive Directors work with members of the EMT to translate these KPIs into sets of secondary objectives for each EMT member that drives their individual performance evaluations and, ultimately, cascades down to drive the performance of all employees working within the Group.

The KPI matrix acts as a guide to setting bonuses and directing the activities of executives towards the achievement of the strategic direction established by the Board. Implicitly, this reflects an overall assessment by the Board of the risks involved in pursuing the strategy of the Group.

Executives understand that the Remuneration Committee will always exercise discretion when finalising bonuses to take into account stock market, oil market and general economic conditions prevailing globally as well as in Trinidad and the UK, at the time bonuses are set as well as the underlying performance of the business. For 2019, although bonuses were agreed relating to the KPI matrix, the Remuneration Committee concluded, and the Executive Directors agreed, that due to the economic conditions prevailing in H1 2020 payment of these bonuses would be deferred to a time when it is financially prudent for the business to do so. The 2019 bonus awards were subsequently paid in September 2020. Given the robust performance of the business during 2020, and more stable conditions currently prevailing it is expected that 2020 bonuses will be paid shortly after publication of the audited accounts.

During 2020 the Remuneration Committee decided to engage the services of a third party remuneration consultant (FIT) to assist it in its deliberations on remunerative trends and design. The consultant is a member of the Remunerative Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. Our Auditors have audited aspects of this report as it relates solely to the reported items within the financial statements.

## 2020 Performance and Review

- Corporate KPI's:
  - Setting corporate KPI's which are used to determine the bonus awards of the Executive Chairman and Executive Director. EMT's bonus awards were set according to a mixture of Corporate KPI's and personal performance.
  - Mid-year/Year-end review of corporate KPI's.
- Key pay outcomes:
  - Bruce Dingwall, CBE's base salary for 2020 was USD 368,000 (2019: USD 360,000).
  - Jeremy Bridglalsingh's base salary for 2020 was USD 255,000 (2019: USD 240,000).
- LTIP awards
  - Reviewed performance criteria and recommended 2020 LTIP awards.
  - The Group granted options over 3,815,855 ordinary shares on 25 June 2020 (representing 1% of the then issued capital of the Group) to certain members of the EMT in respect of performance during 2019.
  - The Group also granted options over 1,000,000 ordinary shares on 30 October 2020 to the newly appointed chief financial officer of the Group
  - The Group also granted options over 1,422,961 ordinary shares on 30 June 2020 to a member of the EMT. These options were granted on the same terms as the 2017 LTIP awards.

- Corporate Governance disclosure:
  - Discussed UK Corporate Governance requirements in respect of responsibilities of the Remuneration Committee in recommending EMT pay. The Group currently is not required to adhere to the UK Corporate Governance Code. However, the Committee recommended that best practices are followed and continuously monitors the guidelines.
- Remuneration Policy:  
To appoint a remuneration consultant to assist the Committee with reviewing the Company's remuneration policy.



**Nicholas Clayton**  
Remuneration Committee Chairman

17 May 2021

# Directors' Remuneration Report

## Review and Approval Process

The Group prepares the Remuneration Report on an annual basis and presents it to the Remuneration Committee alongside the existing Remuneration Policy. The Committee review and evaluate the content and advise of any amendments or recommendations before final approval is granted for publication. Our Auditors have audited aspects this report as it relates solely to the reported items within the financial statements.

## Remuneration Policy Table – Executive Directors

Bruce Dingwall, CBE maintained the role of Executive Chairman and Jeremy Bridglasingh served as Executive Director throughout 2020. Jeremy Bridglasingh transitioned to being solely Managing Director during September 2020 post the appointment of a new CFO of the Group.

The main components of the Remuneration Policy and how they are linked to and support the Group's business strategy, are summarised below:

Element	Operation	Maximum opportunity	Performance assessment
<b>Base salary</b>			
Reflects level of responsibility and achievement of the individual.	Salaries are reviewed as required by the Remuneration Committee and adjustments are made accordingly.  When determining salaries for the Executive Directors the Committee takes into consideration:  <ul style="list-style-type: none"> <li>&gt; Market data;</li> <li>&gt; Local market employment conditions; and</li> <li>&gt; Salary increases awarded to other employees in the Group.</li> </ul> Salaries are benchmarked periodically against comparable roles at companies of a similar size, complexity and which operate primarily, but not exclusively, in the exploration & production sector and the AIM market.	Any salary increases in future years will be determined by the Remuneration Committee.	Not applicable.
<b>Annual bonus</b>			
The annual bonus aligns rewards to key Group strategic KPIs agreed by the Committee and drives short term performance of the Group.	Executive Directors may participate in an annual performance driven bonus scheme.  The performance period is one financial year.	Maximum: 100% of base salary.  This can be exceeded in exceptional circumstances at the discretion of the Committee. It may also be paid wholly or in part in shares or deferred at the discretion of the Committee.  There is no contractual obligation to pay bonuses.	A KPI performance scorecard is used as a guide by the Committee, which can be overridden based on a broader assessment of overall Group performance and market conditions.  The measures are determined by the Committee, typically at the commencement of the financial year.
<b>Pension</b>			
To provide competitive levels of retirement benefit.	Salary supplement in lieu of pension contributions for both Executive Directors.	Up to 10% of base salary.	Not applicable.

Element	Operation	Maximum opportunity	Performance assessment
<b>LTIP</b>			
The LTIP aligns Executive Director interests with those of shareholders and drives superior long-term performance.	Under the LTIP, Executive Directors and other members of the EMT may be provided with awards in the form of conditional shares or nil-cost options.	<p>In 2020, grants were made to the Executive Directors and other EMT members, relating to their performance in 2019, further details of which can be found on page 75.</p> <p>One-off awards were also made to the new CFO of the Group and one other EMT member.</p> <p>In future, aggregate annual awards made to Executive Directors and other members of the EMT will normally be capped at 1% of the issued share capital of the Company. Awards under the LTIP are non-contractual, except where one off awards are made to new members of the EMT or new joiners.</p>	<p>Annual awards will normally vest at the end of a three year period subject to performance conditions.</p> <p>Further details of the performance conditions of these awards can be found in Note 22 in Notes to Financial Statements.</p>
<b>Other benefits</b>			
To provide competitive levels of employment benefits.	<p>The Committee may provide a benefits package to EMT members at its discretion.</p> <p>Reviewed periodically to ensure benefits remain market competitive.</p>	Benefit values vary year on year depending on premiums and the maximum potential value is the cost of the provision of these benefits.	Not applicable.
<b>Shareholding policy</b>			
To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.	Requirement to build and maintain a holding of shares equivalent in value to a minimum of two times their salary within a five year period.	Not applicable.	Not applicable.
<b>Executive Directors' service contracts</b>			
The Company's policy on Directors' service contracts are indicated below:			
	Effective term	Notice period	
Executive Chairman	Rolling with no fixed expiry date.	Six months	
Executive Director	Rolling with no fixed expiry date.	Six months	

## Directors' Remuneration Report (continued)

### Non-executive Director Remuneration Policy

#### Objective

To attract Non-Executive Directors with the requisite skills and experience.

#### Operation

Fee levels are set at a level paid for comparable roles at companies of a similar size, complexity and which operate in the exploration & production sector. Fee levels are reviewed annually.

No new appointments were made during 2020 and no revisions to non-executive director remuneration occurred during the year.

### Annual Report on Remuneration

This section of the Remuneration Report contains details of how the Group's Remuneration Policy was implemented for Directors in 2020.

Our Auditors have audited aspects of this report as it relates solely to the reported items within the financial statements.

#### Executive Remuneration (Unaudited)

Bruce Dingwall, CBE maintained the role of Executive Chairman and Jeremy Bridglalsingh served as Executive Director throughout 2020. Jeremy Bridglalsingh transitioned to being solely Managing Director during September 2020 post the appointment of a new CFO of the Group.

The table below sets out the single total figure of remuneration and breakdown for each Director paid for

the 2020 financial year. Comparative figures for 2019 have also been provided where applicable.

#### Maximum potential value

Fees are to be paid on a quarterly basis to Non-Executive Directors. Whilst there is no maximum individual fee level, fees are set at a level considered appropriate to attract and retain the calibre of individual required by the Group.

Fee increases may be made in line with the market and to take into account the time commitment and duties involved. Non-Executive Directors do not participate in any variable remuneration element or any other benefits arrangements.

#### Performance assessment

Not applicable for Non-Executive Directors.

All figures expressed in USD	Bruce Dingwall, CBE <sup>1</sup>		Jeremy Bridglalsingh <sup>2</sup>	
	2020	2019	2020	2019
Base Salary	<b>368,000</b>	360,000	<b>255,000</b>	240,000
Taxable Benefits <sup>3</sup>	<b>36,800</b>	36,000	<b>20,417</b>	20,417
Annual Bonus	<b>184,000</b>	144,000	<b>127,500</b>	96,000
Pension	–	–	<b>25,500</b>	24,000
LTIP(s) <sup>5</sup>	<b>289,485</b>	339,305	<b>179,274</b>	204,086
Gain on exercise of Share Options <sup>6</sup>	<b>361,842</b>	–	–	–
<b>Total</b>	<b>1,240,127</b>	879,305	<b>607,691</b>	584,503

#### Notes:

- Bruce Dingwall, CBE – Executive Chairman effective 13 November 2015 (previously Executive Chairman appointed 14 February 2013 to 8 April 2015, Non-Executive Chairman 8 April 2015 to 13 November 2015).
- Jeremy Bridglalsingh – Executive Director effective since 11 January 2017. Assumed the role of Managing Director in September 2020 following the appointment of a new CFO for the Group.
- Taxable benefits include: Chairman's benefits allowance, which is 10% of salary and vehicle allowance in favour of Executive Director.
- Foreign Exchange ("FX") Conversions:
  - GBP fees were converted to USD using an exchange rate of 1: 1.2794 for 2020 (2019: 1: 1.2749).
  - TTD fees were converted to USD using an exchange rate of 1: 6.7580 for 2020 (2019: 1: 6.7591).
- LTIP: The LTIP comprises an important aspect of Trinity's remuneration philosophy and allows Management to share in the Group's success when the business strategy is executed successfully (refer to LTIPs section on pages 80 to 81 for further info).
- Gain on exercise of Share Options ("SO")= (SO x Market Value at date of exercise less Exercise Price (0)). Bruce Dingwall exercised 3,121,080 LTIPs at a Market Value of GBP 0.885. Gain value of GBP 276,215 was converted at 1.31.



**Non-Executive Directors Fees (Audited)**

	USD Equiv.					
Basic Fee	50,996					
Audit Committee Chairman	12,749					
Remuneration Committee Chairman	6,375					
	Director Fees 2020	Director Fees 2019	Committee Chairman Fees 2020	Committee Chairman Fees 2019	Total 2020	Total 2019
All figures expressed in USD <sup>3</sup>						
Angus Winther <sup>1</sup>	50,996	50,996	12,749	12,749	63,745	63,745
David Segel	50,996	50,996	–	–	50,996	50,996
Nicholas Clayton <sup>4</sup>	50,996	50,996	6,375	6,375	57,371	57,371
James Menzies	50,996	50,996	–	–	50,996	50,996
<b>Total</b>	<b>203,984</b>	<b>203,984</b>	<b>19,124</b>	<b>19,124</b>	<b>223,108</b>	<b>223,108</b>

## Notes:

1. Angus Winther – Non-Executive Director effective 11 January 2017 and appointed Audit Committee Chairman effective 23 June 2017. Fees include Non-Executive Director and Audit Committee Chairman Fees.
2. Nicholas Clayton – Senior Independent Non-Executive Director and appointed Remuneration Committee Chairman on 28 November 2018. Fees include Non-Executive Director and Remuneration Committee Chairman Fees.
3. Non-Executive Director Fees are paid in GBP and were converted to USD using an exchange rate of 1: 1.2794 for 2019 (2018: 1: 1.2749).

**Company Remuneration Spend (Audited)**

The following table indicates the Group's total remuneration for 2020:

	Directors & Key Managers Total <sup>1</sup>		Other Employees Total <sup>2</sup>		Total Remuneration	Year-on-year change		% of Total		
	2020	2019	2020	2019		2020	2019	2020	2019	
	<b>1,714</b>	2,043	<b>5,948</b>	5,730	<b>7,662</b>	7,773	<b>-16%</b>	4%	<b>22%</b>	26%

## Notes:

1. Refer to Note 28 Related Party Transactions – Key Management and Directors' compensation in the Financial Statements on page 135.
2. Refer to Note 32 Employee Costs on page 137.
3. All figures expressed in USD '000.

**Statement of Executive Directors' Shareholding (Unaudited)**

The table below summarises the Executive Directors' interests in shares at 31 December 2020:

Director	Shareholding		Outstanding interests				Total held at 31 December 2020
	Current Shareholding (% salary)	Beneficially owned shares	Vested but unexercised LTIP awards	Share interests – LTIP	Options/ Mirror Scheme	Interests subject to conditions	
Bruce Dingwall, CBE	350%	14,861,422	–	8,743,872	625,908		<b>24,231,202</b>
Jeremy Bridglingsingh	75%	410,382	1,788,912	5,312,952	20,000		<b>7,532,246</b>

## Notes:

1. The closing share price of GBP 0.11 (USD 0.14 equiv.) as at 31 December 2020 has been taken for the purpose of calculating the current shareholding as a percentage of the salary at the last day of trading for the financial year.
2. Beneficial interests include shares held directly or indirectly by connected persons.
3. On 30 June 2020, one off 2017 LTIP awards granted to Bruce Dingwall, CBE and Jeremy Bridglingsingh over 3,120,080 and 1,788,912 ordinary shares respectively vested in accordance with the terms of the LTIP scheme. On 12 August 2020, Bruce Dingwall, CBE exercised these options, and sold 1,744,772 ordinary shares to satisfy tax liabilities arising in relation to the award. The options over 1,788,912 ordinary shares held by Jeremy Bridglingsingh remain unexercised but have been included in the Current Shareholding % of Salary calculation to better illustrate his interests in the Company.
4. The share options vesting period has passed for both Bruce and Jeremy. These have not been exercised and will expire March 2023.
5. All GBP fees were converted to USD using an exchange rate of 1.2794.

## Directors' Remuneration Report (continued)

### Share based payments

Refer to Note 22 - Notes to Financial Statements.

### Total Shareholder Return ("TSR") 2017-2020 (Audited)

TSR factors in capital gains and dividends when measuring the total return generated per share for a Trinity shareholder.

	Average Share price	Closing	Opening	TSR GBP %	TSR USD equiv.*%
<b>2020</b>	<b>11.1</b>	<b>10.8</b>	<b>11.4</b>	<b>(5)</b>	<b>(5)</b>
2019	11.8	11.2	12.0	(7)	(9)
2018	17.7	12.0	14.5	(17)	(23)
2017	13.2	14.5	1.9	671	904

Note: \* 2020 FX: USD: GBP rate used 1.2794.

### Long term incentive Share Plans ("LTIPs") (Unaudited)

The LTIP is designed to provide long-term incentives for Executive Directors and EMT members to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance conditions are met. Participation in 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.

In accordance with the announcement to the market on 25 August 2017, the current rules of the LTIP provide that the aggregate number of ordinary shares issued or reserved for issuance under awards granted pursuant to the LTIP may not exceed 15% of the Company's issued share capital (including any shares held in treasury). This includes up to 10% for Initial Awards (which included the 2017 LTIP Awards) and up to 1% per annum for Annual Awards.

Movements in the number of LTIPs outstanding and their related weighted average exercise prices are as follows:

	2020 Average exercise price per Share Option	Number of Options	2019 Average exercise price per Share Option	Number of Options
At 1 January	<b>GBP 0.00</b>	<b>31,789,818</b>	GBP 0.00	25,415,998
Forfeited	<b>GBP 0.00</b>	<b>(1,720,592)</b>	GBP 0.00	(283,004)
Granted	<b>GBP 0.00</b>	<b>6,238,817</b>	GBP 0.00	6,656,824
Exercised	<b>GBP 0.00</b>	<b>(4,745,056)</b>	GBP 0.00	–
At 31 December	<b>GBP 0.00</b>	<b>31,562,987</b>	GBP 0.00	31,789,818

LTIPs outstanding as at 31 December 2020 have the following expiry date and exercise prices:

Grant-Vest	Expiry date	Exercise price	2020	2019
24/8/2017 – 30/6/2022	24/8/2027	GBP 0.00	<b>21,030,319</b>	25,415,998
2/1/2019 – 1/1/2021	1/1/2023	GBP 0.00	<b>2,525,101</b>	2,824,000
9/5/2019 – 2/1/2022	2/1/2024	GBP 0.00	<b>3,191,712</b>	3,549,820
25/6/2020 – 2/1/2023	2/1/2025	GBP 0.00	<b>4,815,856</b>	–

### 2020 LTIPs

The following LTIP awards were granted to Executive Directors during 2020:

Name	Position	Number of ordinary shares subject to the Option
Bruce Dingwall, CBE	Executive Chairman	1,186,919
Jeremy Bridglalsingh	Managing Director	791,281

On 25 June 2020 Options over 3,815,856 ordinary shares (representing 1% of the Group's issued share capital) were granted under the LTIP in accordance with the policy announced to the market on 25 August 2017 and have been made to certain individuals within the Company in respect of the performance of the Company as at the end of the financial year ended 31 December 2019. These include the awards to the Executive Directors shown in the table above. In addition, on 30 October 2020 the Remuneration Committee granted Options over 1,000,000 ordinary shares under the LTIP to a new member of the EMT who joined the Group as Chief Financial Officer. These Options were granted on the same terms as the 25 June 2020 award. These Options will vest on 2 January 2023, subject to meeting the performance criteria set and continued employment in the Group. The Options are exercisable at nil cost by the participants.

The 2020 LTIP Awards are subject to the achievement of Relative Total Shareholder Return ("TSR") performance targets measured over a three-year performance period ending on 31 December 2022. The amounts shown above represent the maximum possible opportunity.

The Relative TSR ranking will be determined by calculating the three month average TSR to the end of the performance period and dividing this by the three month average TSR to the beginning of the performance period for all companies in the agreed comparator group. Companies will be ranked on this basis with the highest performing Group ranked first. The share price used to calculate the start of the TSR calculation in respect of these awards is based on the 3 month average TSR leading into 31 December 2019, being 9.683p.

The peer companies comparator group has been created using the following filters:

**Sector:**

FTSE AIM All Share Oil & Gas constituents

**Size:**

Market capitalisation of between GBP 20 to 400 million

**Further relevance filter:**

Exploration & Production operations, excluding oil equipment and services and Alternative energy. These filters create a comparator group which excludes larger companies that may be expected to be on the main list and micro explorers that can show extreme volatility and which can be numerous at certain points in the business cycle. For 2020, the market cap range of GBP 20-400 million has been deemed appropriate but the Remuneration Committee will review the appropriate range for each new LTIP grant.

**2019 LTIPs**

**May 2019**

On 9 May 2019 the Group issued awards under its LTIP. These awards were made in accordance with the policy announced to the market on 25 August 2017 in respect of the performance of the Group as at the end of the financial year ended 31 December 2018. The Group announced the grant of Options over 3,832,824 ordinary shares (representing approximately 1% of the Group's issued share capital) under the LTIP on 9 May 2019, including awards to the Executive Directors; Bruce Dingwall, CBE (991,685 ordinary shares) and Jeremy Bridglalsingh (661,124 ordinary shares).

The May 2019 Options will vest on 2 January 2022, subject to meeting the

performance criteria set and continued employment in the Group. The Options are exercisable at nil cost by the participants. The LTIP Awards are subject to the achievement of relative TSR performance targets measured over a three year performance period ending on 31 December 2021. The share price used to calculate the start of the TSR calculation in respect of these awards is based on the 3 month average TSR leading into 31 December 2018, being 14.66p.

**January 2019**

On 2 January 2019 the Group issued awards under its LTIP. These awards have been made in accordance with the policy announced to the market on 25 August 2017 in respect of the performance of the Group as at the end of the financial year ended 31 December 2017. The Group announced the grant of Options over 2,824,000 ordinary shares (representing 0.735% of the Group's then issued share capital) under the LTIP on 2 January 2019, including awards to the Executive Directors; Bruce Dingwall, CBE (664,219 ordinary shares) and Jeremy Bridglalsingh (478,238 ordinary shares).

The above Options vested on 1 January 2021. Based on the relative TSR performance of Trinity against the designated comparator group of companies 1,882,665 LTIPs (representing 66.67% of the award) vested on this occasion. The share price used to calculate the start of the TSR calculation in respect of these awards was based on the three month average TSR leading into 31 December 2017, which was 16.77p. The share price used to calculate the end of the TSR calculation in respect of these awards was based on the three month average TSR leading into 31 December 2020, which was 10.85p.

Performance	Vesting
Below the Median	None of the award will vest
Median (50th percentile)	30% of the maximum award will vest
Between Median and Upper Quartile	Straight Line basis between these points
Upper Quartile (75%)	100% of the maximum award will vest.
Above the Upper Quartile	100% of the maximum award will vest

### 2017 Grant of Initial Awards

On 25 August 2017 Trinity issued awards under its LTIP to the Executive Directors and other key employees. The Group wished to recognise the need to ensure that Management was retained and incentivised to grow the value of the business and generate shareholder returns over its next phase of development following the funding and share reorganisation in January 2017.

The Group believed that this one-off award gave Management the opportunity to build up a meaningful shareholding in Trinity which further aligns its interest with shareholders and will help maintain the culture within Trinity which encourages strong and sustained corporate performance that drives absolute returns to shareholders over the longer-term. As a result, the Group announced the grant of Options over 25,415,998 ordinary shares (representing 9% of the Group's then issued share capital) under the LTIP on 25 August 2017, including awards to the Executive Directors; Bruce Dingwall, CBE (9,022,129 ordinary shares) and Jeremy Bridglalsingh (5,171,221 ordinary shares). In addition, a further 2,824,001 Options were held back (to form a retention pool) to be issued at the discretion of the Remuneration Committee, for example in the case of hiring new Executives or EMT members.

On 30 June 2020 the Remuneration Committee granted Options over 1,422,961 ordinary shares under the LTIP to a member of the EMT on the same terms as the awards issued on 24 August 2017, having effectively replaced 2017 LTIP awards issued to a previous member of the EMT who had left the Group and whose awards had consequently been forfeited. The remaining Options held back (to form a retention pool) were cancelled on 2 July 2020.

The Options will vest in full on 30 June 2022, subject to meeting performance targets relating to:

- In respect of 70% of the award, the Group's share price growth from the 2017 placing price of 4.98 pence per share. If the three month Volume-Weighted Average Price ("VWAP") at the testing date is 35 pence or more per share, this part of the award will vest in full. If the VWAP at the testing date is 4.98 pence per share or less, this part of the award will not vest at all. If the VWAP at the testing date is between 4.98 pence and 35 pence per share, this part of the award will vest on a pro-rated straight-line basis;
- In respect of 20% of the award, full repayment of the amount due to the BIR on or before 30 September 2019, in accordance with the terms of the Creditors' Proposal approved in 2017. The final payment to the BIR under the Creditors' Proposal occurred in 2018; and

- In respect of 10% of the award, redemption of all the CLNs issued in January 2017 before the second anniversary of their issue. The CLNs were redeemed in 2018.

The Options vest in whole or in part on 30 June 2020, 30 June 2021 and 30 June 2022, to the extent that the relevant performance conditions have been met. Subject to meeting these conditions and continued employment in the Group, the Options are exercisable at nil cost by the participants

The Options were tested on June 30 2020 against the relevant performance conditions resulting in the following outcome:

- In respect of the Group's share price growth, 1,184,019 LTIPs vested based on the 3 month VWAP of 6.75p prevailing as at 30 June 2020.
- As the BIR was repaid in full before 30 September 2019, 20% of the overall award, being 5,155,075 LTIPs, vested in full.
- As the CLNs were duly redeemed prior to the second anniversary of their issue, 10% of the overall award, being 2,577,538 LTIPs, vested in full.

Therefore, at the first testing date, a total of 8,916,631 LTIPs from the 2017 award vested. The remaining LTIPs issued in respect of the 2017 award will be retested again at 30 June 2021 and 30 June 2022.

## Directors' Report

The Directors' Annual Report on the affairs of the Group, together with the Audited Consolidated Financial Statements and Independent Auditors' Report for the year ended 31 December 2020 are as follows:

### Principal Activities

Trinity is an independent oil producer whose principal activities are the exploration, development, production and sale of crude oil. Its core focus is T&T where the Group operates assets onshore and offshore on both the West and East Coasts. Trinity's portfolio includes current production, significant near-term production growth opportunities from low risk developments, and multiple exploration prospects with the potential to deliver meaningful production and reserves growth. The Group is also pursuing a range of projects to enhance its ESG credentials including Micro-LNG and wind power option for the Galeota project – to be drafted properly.

### Strategic Report

The Group is required by the CA 2006 to include a Strategic Report in its Annual Report. The information that fulfils this requirement can be found from pages 4 to 57.

### Going Concern

The Directors have adopted the going concern basis in preparing the Financial Statements.

In making their going concern assessment, the Board have considered the Group's current financial position, budget and cash flow forecast. The past twelve months has seen the Group's measured approach towards the COVID-19 pandemic where there were no forced shut-ins or interruptions affecting the Group's operations. The Directors have considered the continued potential impact of the COVID-19 pandemic on the Group's operational capabilities, liquidity and financial position over the next twelve month period and beyond. The going concern assessment has considered the current measures put in place by the Group to preserve cash and the ability to reduce discretionary expenditure during a period when the Group has had to adapt to a volatile oil price environment.

The Group started 2021 with a strong operating and financial position; 2020 average production of 3,226 barrels of oil per day ("bopd"), (2019: 3,007 bopd), cash in hand and at bank of USD 20.2 million as at 31 December 2020 (2019: USD 13.8 million), and crude oil hedges in place protecting a significant proportion of near-term production. In making their going concern assessment, the Directors have considered a cash flow forecast based on expected future oil prices, production volumes and discretionary expenditure reductions which could be implemented in response to oil price volatility. The base case forecast was prepared with consideration of the following:

- Future oil prices assumed to be in line with the forward curve prevailing as at May 2021, with an average realised oil price of USD 58.6/bbl in the period to December 2021. The forward price curve applied in the cash flow forecast starts at USD 59.5/bbl in May 2021, fluctuating each month down to USD 57.3/bbl in December 2021 through to USD 55.3/bbl in June 2022;
- Average 2021 forecast production of 3,067 bopd and for the six months to June 2022 of 3,057 with production being maintained by RCPs, WOs and swabbing activities and no new drilling;
- No SPT incurred on the onshore assets, as the SPT threshold for small onshore has been increased to USD 75.0/bbl;
- The purchase of Onshore PS4 block being completed;
- Trinity continuing with various growth and business development opportunities; and
- Although derivative instruments are in place to protect a portion of cash flows against declining oil prices, no derivative income is assumed to be received over the forecast period.

Management considers this is a reasonable base scenario, reflecting the outlook of the future oil price, current production profile and costs. The cash flow forecast showed that the Group will remain in a strong financial position for at least the next twelve months, and as such be able to meet its liabilities as they fall due.

Management has considered separate stressed scenarios including:

- the effect of reductions in oil prices as low as USD10.0/bbl being sustained across the forecast period, noting that the base case pricing is in line with market prices; and
- the impact of temporary disruption from localised COVID-19 cases reducing forecast production by 15% albeit operations have continued uninterrupted to date and the nature of the operations reduces the risk of such an eventuality.

All reasonably possible forecasts demonstrate that the Group's cash balances are maintained under such scenarios and they would be sufficient to meet the Group's obligations as they fall due.

Based on the cash flow forecast, when combined with mitigating actions that are within the Group's control, and having considered the potential impact of COVID-19 pandemic, together with the GORTT response to date, the Directors currently believe the Group can maintain sufficient liquidity and a healthy positive cash balance, and remain in operational existence, for at least the next twelve months.

As a result, at the date of approval of the Consolidated and Company financial statements, the Directors have a reasonable expectation that the Group has sufficient and adequate resources to continue in existence for at least twelve months post approval of these financial statements and is poised for continued growth as it expect market conditions to improve. For this reason, the Board have concluded it is appropriate to continue to adopt the going concern basis of accounting in the preparation of the Consolidated and Company financial statements.

### Dividend Policy

No dividend payments or declaration was recommended by the Directors.

### Capital Structure

As at 31 December 2020 the Company's issued share capital was 483,594,288 which comprised of 388,794,302 ordinary shares of USD 0.01 each and 94,799,986 deferred shares of USD 0.99 each. Each ordinary share carries the

## Directors' Report (continued)

right to one vote at general meetings of the Company. The deferred shares have no voting or dividend rights and on a return of capital on a winding up, have no valuable economic rights. Deferred shares were issued at the sub-division of shares carried out on 29 December 2016. The number of deferred shares has not changed since the sub-division of shares took place.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of

Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Group's shares that may result in restrictions on the transfer of securities or on voting rights. Details of employee share schemes are set out in Notes 21 and 22 to the Consolidated Financial Statements on pages 127 to 131. No person has any special rights of control over the Group's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Group is governed by its Articles of Association, the Companies Act 2006 and related legislation. The Articles of Association may be amended by special resolution of the Shareholders. The powers of Directors are described in the main Board's terms of reference, copies of which are available on request, and the Corporate Governance Statement on page 62.

### Substantial Shareholdings

The Shareholders holding over 3% of the voting rights as at 1 February 2021 were as follows:

	No. of Shares	% of Issued Share capital
1. David & Christina Segel Living Trust	40,527,722	10.42%
2. Hargreaves Lansdown Asset Management (clients)	31,238,706	8.03%
3. Angus Winther	30,932,994	7.96%
4. Gavin White	30,667,481	7.88%
5. Jan-Dirk Lueders*	16,103,163	4.14%
6. Scott Casto	15,748,348	4.05%
7. Bruce Dingwall, CBE	14,861,422	3.82%
8. Tim & Lisa Robertson	14,633,743	3.76%
9. Marlborough Nano-Cap Growth Fund	14,000,000	3.60%
10. Interactive Investor clients	13,204,133	3.39%
11. HSBC Private Bank, London clients	12,981,813	3.33%

\* Includes 1,114,605 shares held jointly between Scott Casto & Jan -Dirk Lueders through CMT Investments LLC.

### Directors

The Directors who served during the period and at the date of this Report are as follows:

Name	Role	Appointment Date
1 Bruce Dingwall, CBE	Executive Chairman	13 November 2015 to present
2 Jeremy Bridglalsingh	Executive Director	11 January 2017 to present
3 David Segel	Non-Executive Director	11 January 2017 to present
4 Angus Winther	Non-Executive Director	11 January 2017 to present
5 James Menzies	Independent Non-Executive Director	23 June 2017 to present
6 Nicholas Clayton	Senior Independent Non-Executive Director	28 November 2018 to present

The Directors who held office at 31 December 2019 had the following interests in the ordinary shares in the capital of the Group which amounted to 22% of the Group's total issued share capital:

	<b>No. of Consolidated Ordinary Shares – USD 0.01 2020</b>	No. of Consolidated Ordinary Shares – USD 0.01 2019
Bruce Dingwall, CBE	<b>14,861,422</b>	13,486,114
Jeremy Bridglalsingh	<b>410,382</b>	207,062
James Menzies	<b>1,150,000</b>	1,150,000
David Segel	<b>40,527,722</b>	40,527,722
Angus Winther	<b>30,932,994</b>	30,102,994
Nicholas Clayton	<b>100,000</b>	100,000
<b>Total</b>	<b>87,982,520</b>	85,573,892

#### Directors' share options/LTIPs

Details of Directors' share options/LTIPs are provided in the Directors' Remuneration Report on pages 76 to 82.

#### Directors' Indemnities

The Group has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the period and remain in force at the date of this Report.

#### Political contributions

The Group has made no political contribution to any source during both the current and preceding years.

#### HSSE

In 2020, Trinity achieved a solid HSSE performance despite COVID-19. The Group continued to evolve its HSSE strategies and standards through lessons learnt from previous years and improve our base performance as the Group increases operational activity.

#### The Share Dealing Code

The Group has adopted a code on dealings in securities which the Board regards as appropriate for an AIM listed Group and is compliant with the Market Abuse Regulations. The Group takes all reasonable steps to ensure compliance by Directors, employees and agents with the provisions of the AIM rules relating to dealings in securities.

#### Financial Risk Management

The details on the exposure to risk on price, liquidity and cash flows addressed under Risk Management and Internal Controls on pages 50 to 57.

#### Likely Future Developments

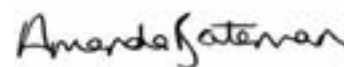
Future development plans have been addressed in the Strategic Report on pages 4 to 57.

#### Independent Auditors

At the AGM of the Group held in June 2020, the Shareholders approved the appointment of BDO as the incoming auditors of the Group. Each of the persons who is a Director at the date of approval of this Annual Report confirms that;

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the CA 2006.



**Amanda Bateman**  
For and on behalf of  
AMBA Secretaries Limited  
Group Secretary

17 May 2021

## Statement of Directors' Responsibilities

### In respect of the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Company financial statements and Group financial statements in accordance with IFRS in conformity with the Companies Act 2006. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Company and Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS in conformity with the Companies Act 2006 have been followed for the Group's Financial Statements for the Company's Financial Statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and Group and enable them to ensure that the financial statements comply with the CA 2006.

The Directors of the Company are responsible for the maintenance and integrity of the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of Board



**Bruce Dingwall, CBE**  
Executive Chairman

17 May 2021



# Independent Auditor's Report to the members of Trinity Exploration & Production Plc

## In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Trinity Exploration & Production Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the consolidated and company statements of financial position, the consolidated and company statement of comprehensive income, the consolidated statement of cash flow, and the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We have highlighted going concern as a key audit matter as a result of the estimates and judgments required by management in their going concern assessment and the effect on our audit strategy. The level of judgment and estimation uncertainty has been significantly increased by the Covid-19 pandemic.

Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting, has been set out in the key audit matters included:

- We discussed the impact of Covid-19 with management and the audit committee including their assessment of risks and uncertainties associated with areas such as the Group's workforce, supply chain, customer sales and commodity market prices that are relevant to the Group's business model and operations. We compared this against our own assessment of risks and uncertainties based on our understanding of the business and oil and gas sector information.

- We obtained management's base case cash flow forecast, challenging the key operating assumptions based on 2020 and 2021 year to date actual results, external data and market commentary, where possible.
- We obtained management's reverse stress testing analysis which was performed to determine the point at which liquidity breaks and considered whether such scenarios, including significant reductions in commodity prices and production were possible given the further potential impacts of Covid-19 and the level of uncertainty.
- We tested the integrity of the forecast models and the Group's wider impairment calculations and assessed their consistency with approved budgets and Field Development Plans, as applicable.
- We reviewed the adequacy and completeness of disclosures in the financial statements in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## Independent Auditor's Report (continued)

### Overview

<b>Coverage</b>	94% of Group profit before tax 100% of Group revenue 99% of Group total assets	
<b>Key audit matters</b>		<b>2020</b>
	Carrying value of producing oil & gas assets	<b>Yes</b>
	Going concern	<b>Yes</b>
<b>Materiality</b>	Group financial statements as a whole USD \$440,000 based on 1% of total revenue.	

### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We determined that there were three significant components and all of these were subject to a full scope audit (two in Trinidad & Tobago and the Parent Company).

The audits of the Trinidad & Tobago significant components were performed in Trinidad & Tobago by a local BDO network member firm. The audits of the Parent Company and the Group consolidation were performed in the United Kingdom by the Group audit team. The Group audit team performed additional procedures in respect of certain of the significant risk areas that represented key audit matters in addition to procedures performed by the component auditor.

The remaining components of the Group were considered non-significant and these components were principally subject to analytical review procedures

performed by the Group audit team and the component auditor.

#### *Our involvement with component auditor*

For the work performed by the component auditor, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with the component auditor included the following:

- Detailed Group reporting instructions were sent to the component auditor, which included the significant areas to be covered by the audits (including areas that were considered to be key audit matters as detailed above), and set out the information to be reported to the Group audit team.
- The Group audit team was actively involved in the direction of the audits performed by the component auditor for Group reporting purposes, along with the consideration of findings and determination of conclusions drawn.

- The Group audit team reviewed the component auditor's work papers remotely, attended planning and clearance meetings for the significant components and engaged with the component auditor during their fieldwork and completion phases.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements 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 referred to in the Conclusions relating to going concern section we identified the following as key audit matter.

Key audit matter

How the scope of our audit addressed the key audit matter

**Carrying value of producing oil & gas assets**

(see note 11)

The Group's total producing oil & gas assets at 31 December 2020 were USD377m (2019: USD42.3m). This class of asset is the most significant to the statement of financial position.

Management and the Directors are required to assess whether there are potential indicators of impairment of the Group's oil and gas assets at each reporting date and, if potential indicators of impairment are identified, management are required to perform a full assessment of the recoverable value of the oil and gas assets in accordance with the requirements of the relevant accounting standard.

During the first half of 2020 there was significant turmoil to the market demand for oil, caused by the COVID-19 pandemic, which significantly impacted on pricing.

Management considered the above to be an impairment indicator and therefore prepared an impairment assessment in relation to the Group's producing assets based on a Fair Value Less Costs of Disposal ("FVLCD") methodology. Key assumptions inherent within management's analysis include:

- Long term crude oil price;
- Reserves estimates;
- Production volume profiles;
- Cost profiles and escalation applied;
- Discount rates; and
- Tax.

Management have recorded a pre-tax impairment charge of USD1.2 million (2019: USD15.2 million) on its oil and gas producing assets during the year.

Carrying value of producing oil & gas assets is considered a key audit matter as significant judgement and estimates are applied by Management.

We obtained and examined management's impairment indicator paper to assess the appropriateness of their conclusion that a potential indicator of impairment was present.

We assessed the appropriateness of Management's determination of each cash generating unit (CGU) in order to determine if the conclusions were in line with the relevant accounting standard.

We obtained management's discounted cash flow models (FVLCD) and performed data integrity and mechanical checks on the models.

We determined whether the basis of preparation of the models were in line with the applicable accounting standard, our expectations and valuation methodology.

We compared the actual performance of the CGUs during 2020 to budgets for the period in order to assess the quality of management's forecasting.

We critically challenged the FVLCD model, focussing on the appropriateness of estimates with reference to empirical data and external evidence with specific emphasis on the following assumptions: oil prices, foreign exchange rates, reserves and production levels, operating and development costs and discount rate.

We compared forecast oil prices to current pricing, empirical data and market analysis.

We assessed the consistency of production profiles and capital expenditure forecasts against the Group's Field Development Plans, approved budgets, external reserves engineer decline rates, and met with operational management to inform our assessment and understanding of these plans and budgets.

We have checked that the cash flows forecasts for each CGU are prepared based on current approved budgets / Field Development Plans and the forecast production levels reconciled to the latest Reserves and Resources Statement.

We analysed the production profile on a field / well basis and compared the trend analysis to capital expenditure forecasts to identify and investigate anomalies. We also reviewed year to date production data and made inquiries with Management regarding the status of current development.

With the use of our internal valuation experts we re-performed the WACC calculation received from Management and assessed the reasonableness of key inputs such as the market value of equity, market value of debt, cost of equity (Ke), and cost of debt (Kd) against market related data. A sensitivity analysis was also performed on the discount rate used.

We reviewed the disclosures in the financial statements regarding key assumptions and sensitivity of the carrying value to reasonable changes in such assumptions to check that were in accordance with the requirements of the relevant accounting standard.

**Key observations:**

Based on the procedures performed, we found Management's assessment of the carrying value of producing oil and gas assets to be supported by the underlying models and the judgements and estimates applied reasonable.

## Independent Auditor's Report (continued)

### Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified

misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements 2020	Parent company financial statements 2020
<b>Materiality</b>	<b>USD 440,000</b>	<b>USD 150,000</b>
<b>Basis for determining materiality</b>	1% of total revenue	Allocation of Group materiality.
<b>Rationale for the benchmark applied</b>	The benchmark reflects the Group's primary focus on generating sustainable growth in revenue through increasing production volume.	The benchmark reflects the Parent Company's relative contribution to the Group's total assets capped at an allocation of Group materiality.
<b>Performance materiality</b>	<b>USD 330,000</b>	<b>USD 112,500</b>
<b>Basis for determining performance materiality</b>	Performance materiality was set at 75% of the above materiality level.	Performance materiality was set at 75% of the above materiality level.

### Component materiality

We set materiality for each component of the Group from USD0.1m to USD0.3m dependent on the size and our assessment of the risk of material misstatement of that component. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated and to sufficiently address aggregation risk.

### Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of USD8,000 (Group audit) and USD3,000 (Parent Company audit). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our

responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

### Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

### Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities,

the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability 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 the Parent Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the Group. We considered the associated oil & gas, environmental and taxation laws and regulations of Trinidad & Tobago to be the most relevant to the audit given the Geographical areas of focus of the Group.

We assessed compliance with these laws and regulations through:

- Discussion with the management and those charged with governance;
- Testing the financial statement disclosures to supporting documentation;
- Making enquiries of Management as to whether there was any correspondence from regulators in so far as the correspondence related to the Financial Statements.
- Reviewing minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations; and
- We involved tax specialists from our local BDO network member firm in Trinidad & Tobago to evaluate the Group's compliance with relevant tax legislation considered of most significance to the Group's operations.

We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered areas of the financial statements subject to elevated potential fraud risks.

Our procedures included:

- Testing the appropriateness of journal entries made through the year by applying specific criteria to detect possible irregularities and fraud;
- Performing a detailed review of the Group's year-end adjusting entries and investigating any that appear unusual as to nature or amount and agreeing to supporting documentation;
- For significant and unusual transactions, particularly those occurring at or near year-end, obtaining evidence for the rationale of these transactions and the sources of financial resources supporting the transactions;
- Assessed whether the judgements made in accounting estimates were indicative of a potential bias (refer to key audit matters above);
- Extending inquiries to individuals outside of management and the accounting department to corroborate management's ability and intent to carry out plans that are relevant to developing the estimate set out in the key audit matters section above; and

- Directing the auditors of the significant components to ensure an assessment is performed on the extent of the components compliance with the relevant local and regulatory framework. Reviewing this work and holding meetings with relevant internal management and external third parties to form our own opinion on the extent of Group wide compliance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Matt Crane*

**Matt Crane**  
(Senior Statutory Auditor)  
For and on behalf of  
BDO LLP, Statutory Auditor  
London, United Kingdom

17 May 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# 04

## FINANCIAL ACCOUNTS

# Financial Accounts

(Expressed in United States Dollars)  
**31 December 2020**

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## Consolidated Statement of Comprehensive Income

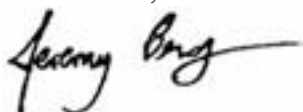
For the year ended 31 December 2020

(Expressed in United States Dollars)	Notes	2020 \$'000	2019 \$'000
<b>Revenues</b>			
Crude oil sales		44,074	63,878
Other income		4	14
		<b>44,078</b>	<b>63,892</b>
<b>Operating Expenses</b>			
Royalties		(11,746)	(20,034)
Production costs		(16,458)	(16,426)
Depreciation, Depletion & Amortisation ("DD&A")	11-13	(8,174)	(9,772)
General & Administrative ("G&A") expenses		(5,095)	(5,589)
Impairment losses on financial assets ("ILFA")		(252)	(608)
Share Option Expense ("SOE")		(963)	(1,038)
Foreign exchange ("FX") gain/(loss)		7	(76)
Derivative income/(expenses)	19	1,568	(78)
		<b>(41,113)</b>	<b>(53,621)</b>
<b>Operating Profit before Supplemental Petroleum Taxes ("SPT") &amp; Property Taxes ("PT"), Impairment and Exceptional Items</b>			
		<b>2,965</b>	<b>10,271</b>
SPT		153	(7,413)
PT		(532)	(492)
<b>Operating Profit before Impairment and Exceptional Items</b>			
		<b>2,586</b>	<b>2,366</b>
Impairment	3(d)	(1,218)	(15,187)
Exceptional items	6	43	-
<b>Operating Profit/(Loss)</b>			
		<b>1,411</b>	<b>(12,821)</b>
Finance income	7	108	138
Finance costs	7	(1,416)	(1,372)
<b>Profit/(Loss) Before Income Taxation</b>			
		<b>103</b>	<b>(14,055)</b>
Income taxation (expense)/credit	8	(2,938)	4,408
<b>Loss for the year</b>			
		<b>(2,835)</b>	<b>(9,647)</b>
<b>Other Comprehensive Income</b>			
<b>Items that may be subsequently reclassified to profit or loss</b>			
Currency translation		(1)	85
<b>Total Comprehensive Loss For The Year</b>			
		<b>(2,836)</b>	<b>(9,562)</b>
<b>Earnings per share (expressed in dollars per share)</b>			
Basic	9	(0.01)	(0.03)
Diluted	9	(0.01)	(0.03)

## Consolidated Statement of Financial Position at 31 December 2020

(Expressed in United States Dollars)	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	11	37,756	42,380
Right-of-Use ("ROU") assets	12	1,014	1,402
Intangible assets	13	27,349	26,255
Abandonment fund	14	3,490	3,378
Performance bond	15	253	253
Deferred Tax Assets ("DTA")	16	5,997	9,362
		<b>75,859</b>	83,030
<b>Current Assets</b>			
Inventories	17	5,267	5,143
Trade and other receivables	18	7,239	9,337
Derivative financial instruments	19	266	85
Cash and Cash equivalents	20	20,237	13,810
		<b>33,009</b>	28,375
<b>Total Assets</b>		<b>108,868</b>	111,405
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves Attributable to Equity Holders</b>			
Share capital	21	97,692	97,692
Share premium	21	139,879	139,879
Share based payment reserve	22	14,764	14,328
Merger reserves	23	75,467	75,467
Reverse acquisition reserve	23	(89,268)	(89,268)
Translation reserve		(1,650)	(1,649)
Accumulated losses		(188,332)	(186,024)
Total Equity		<b>48,552</b>	50,425
<b>Non-current Liabilities</b>			
Lease liability	12	465	841
Deferred Tax Liabilities ("DTL")	16	2,611	4,188
Provision for other liabilities	25	45,405	44,330
		<b>48,481</b>	49,359
<b>Current Liabilities</b>			
Trade and other payables	26	7,803	10,386
Bank overdraft	27	2,700	-
Lease liability	12	614	637
Provision for other liabilities	25	516	518
Taxation payable	29	202	80
		<b>11,835</b>	11,621
<b>Total Liabilities</b>		<b>60,316</b>	60,980
<b>Total Equity and Liabilities</b>		<b>108,868</b>	111,405

The financial statements on pages 92 to 138 were authorised for issue by the Board of Directors on 17 May 2021 and were signed on its behalf by:



**Jeremy Bridglalsingh**  
Director

17 May 2021



## Company Statement of Financial Position at 31 December 2020

(Expressed in United States Dollars)	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Investment in subsidiaries	10	60,021	59,306
<b>Current Assets</b>			
Trade and other receivables	18	424	218
Intercompany	18	4,318	3,631
Derivative financial instruments		266	85
Cash and Cash equivalents.	20	4,317	5,286
		<b>9,325</b>	<b>9,220</b>
<b>Total Assets</b>		<b>69,346</b>	<b>68,526</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves Attributable to Equity Holders</b>			
Share capital	21	97,692	97,692
Share premium	21	139,879	139,879
Share based payment reserve		4,064	3,628
Merger reserves		56,652	56,652
Accumulated losses		(229,422)	(229,833)
<b>Total Equity</b>		<b>68,865</b>	<b>68,018</b>
<b>Current Liabilities</b>			
Trade and other payables	26	481	508
		<b>481</b>	<b>508</b>
<b>Total Liabilities</b>		<b>481</b>	<b>508</b>
<b>Total Equity and Liabilities</b>		<b>69,346</b>	<b>68,526</b>

The Company has elected to take the exemption under section 408 of the Companies Act 2006, to not present the Statement of comprehensive income. The net loss for the parent company was \$0.1 million (2019: \$1.71 million).

The financial statements on pages 92 to 138 were authorised for issue by the Board of Directors on 17 May 2021 and were signed on its behalf by:



**Jeremy Bridglalsingh**  
Director

17 May 2021

**Trinity Exploration & Production plc**  
Registered Number: 07535869

## Consolidated Statement of Changes in Equity for the year ended 31 December 2020

	Share Capital \$'000	Share Premium \$'000	Share Based Payment Reserve \$'000	Reverse Acquisition Reserve \$'000	Merger Reserves \$'000	Translation Reserve \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>Year ended 31 December 2019</b>								
At 1 January 2019	97,692	139,879	13,290	(89,268)	75,467	(1,638)	(176,473)	58,949
Share based payment expense (Note 22)	-	-	1,038	-	-	-	-	1,038
Translation difference	-	-	-	-	-	(11)	96	85
Loss for the year	-	-	-	-	-	-	(9,647)	(9,647)
Total comprehensive loss for the year	-	-	-	-	-	(11)	(9,551)	(9,562)
<b>At 31 December 2019</b>	<b>97,692</b>	<b>139,879</b>	<b>14,328</b>	<b>(89,268)</b>	<b>75,467</b>	<b>(1,649)</b>	<b>(186,024)</b>	<b>50,425</b>
<b>Year ended 31 December 2020</b>								
At 1 January 2020	97,692	139,879	14,328	(89,268)	75,467	(1,649)	(186,024)	50,425
LTIPs exercised (Note 21)	-	-	(527)	-	-	-	527	-
Share based payment expense (Note 22)	-	-	963	-	-	-	-	963
Translation difference	-	-	-	-	-	(1)	-	(1)
Loss for the year	-	-	-	-	-	-	(2,835)	(2,835)
Total comprehensive loss for the year	-	-	-	-	-	(1)	(2,835)	(2,836)
<b>At 31 December 2020</b>	<b>97,739</b>	<b>139,879</b>	<b>14,764</b>	<b>(89,268)</b>	<b>75,467</b>	<b>(1,650)</b>	<b>(188,332)</b>	<b>(48,552)</b>

## Company Statement of Changes in Equity for the year 31 December 2020

	Share Capital \$'000	Share Premium \$'000	Share Based Payment Reserve \$'000	Merger Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
<b>Year ended 31 December 2019</b>						
At 1 January 2019	97,692	139,879	2,590	56,652	(228,126)	68,687
Share based payment charge (Note 22)	-	-	1,038	-	-	1,038
Total comprehensive expense for the year	-	-	-	-	(1,707)	(1,707)
<b>At 31 December 2019</b>	<b>97,692</b>	<b>139,879</b>	<b>3,628</b>	<b>56,652</b>	<b>(229,833)</b>	<b>68,018</b>
<b>Year ended 31 December 2020</b>						
At 1 January 2020	97,692	139,879	3,628	56,652	(229,833)	68,018
LTIPs exercised (Note 21)	-	-	(527)	-	527	-
Share based payment charge (Note 22)	-	-	963	-	-	963
Total comprehensive expense for the year	-	-	-	-	(116)	(116)
<b>At 31 December 2020</b>	<b>97,692</b>	<b>139,879</b>	<b>4,064</b>	<b>56,652</b>	<b>(229,422)</b>	<b>68,865</b>

## Consolidated Statement of Cash Flows for the year 31 December 2020

(Expressed in United States Dollars)	Notes	2020 \$'000	2019 \$'000 As Restated*
<b>Operating Activities</b>			
Profit/(Loss) before taxation		103	(14,055)
Adjustments for:			
Translation difference		83	(63)
Finance cost – loans and interest	7	195	174
Finance income	7	(108)	(138)
Finance cost – decommissioning provision	25	1,221	1,198
Share based payment charge	22	963	1,038
DD&A	11-13	8,174	9,772
Loss on disposal of assets	11	2	-
Impairment losses on financial assets		515	-
Reversal of impairment		(126)	-
Impairment of property, plant and equipment	11	1,121	15,187
		<b>12,143</b>	13,113
<b>Changes In Working Capital</b>			
Inventories	17	(124)	(1,454)
Trade and other receivables	14, 18, 19	1,290	3,638
Trade and other payables	25, 26	(1,985)	605
		<b>(819)</b>	2,789
Income taxation paid		(1,028)	(316)
<b>Net Cash Inflow From Operating Activities</b>		<b>10,296</b>	15,586
<b>Investing Activities</b>			
Purchase of Exploration and Evaluation ("E&E") assets	13	(1,062)	(420)
Purchase of computer software	13	-	(99)
Purchase of property, plant and equipment	11	(4,979)	(11,020)
<b>Net Cash Outflow From Investing Activities</b>		<b>(6,041)</b>	(11,539)
<b>Financing Activities</b>			
Finance income		108	138
Finance cost		(55)	-
Principal paid on lease liability**		(441)	(403)
Interest paid on lease liability**		(140)	(173)
Bank overdraft		2,700	-
<b>Net Cash Inflow/(Outflow) From Financing Activities</b>		<b>2,172</b>	(438)
<b>Increase in Cash and Cash Equivalents</b>		<b>6,427</b>	3,609
<b>Cash and Cash Equivalents</b>			
At beginning of year		13,810	10,201
Effects of foreign exchange rates differences on cash		(14)	(27)
Increase in Cash and Cash equivalents		6,441	3,636
<b>At end of year</b>	20	<b>20,237</b>	13,810

Notes

\* Comparative amounts for the year have been restated. Refer to Note 33 for further details.

\*\* Prior year was amended and split to show principal and interest.

## Company Statement of Cash Flows for the year 31 December 2020

(Expressed in United States Dollars)	Note	2020 \$'000	2019 \$'000 As Restated*
<b>Operating Activities</b>			
Loss before taxation		(116)	(1,707)
Adjustments for:			
Translation differences		-	1
Finance income		(126)	(233)
Share based payment charge		248	221
		<b>6</b>	<b>(1,718)</b>
<b>Changes In Working Capital</b>			
Trade and other receivables		(1,074)	(4,015)
Trade and other payables		(27)	6,730
		<b>(1,101)</b>	<b>2,715</b>
<b>Taxation Paid</b>			
		-	-
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>		<b>(1,095)</b>	<b>997</b>
<b>Financing Activities</b>			
Finance income		126	233
<b>Net Cash Inflow from Financing Activities</b>		<b>126</b>	<b>233</b>
<b>(Decrease)/Increase In Cash and Cash Equivalents</b>		<b>(969)</b>	<b>1,230</b>
<b>Cash and Cash Equivalents</b>			
At beginning of year		5,286	4,056
(Decrease)/Increase Cash and Cash equivalents		(969)	1,230
<b>At End of Year</b>	20	<b>4,317</b>	<b>5,286</b>

# Notes to the Consolidated Financial Statements

## 31 December 2020

### 1 Background and Summary of significant accounting policies

The principal accounting policies applied in the preparation of this consolidated financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Trinity Exploration & Production plc ("Trinity" or "the Company" or "Parent") and its subsidiaries (together "the Group").

#### Background

Trinity is an independent energy company limited by shares and listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange ("LSE"). The Company is incorporated and domiciled in England and the address of the registered office is C/o Pinsent Masons LLP 1 Park Row, Leeds LS1 5AB, United Kingdom ("UK"). The Group is involved in the exploration, development and production of oil reserves in T&T.

#### Basis of preparation

The Group's financial statements have been prepared and approved by the Board of Directors ("Board") in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") applied in accordance with the provisions of the Companies Act 2006. This consolidated financial information has been prepared under the historical cost convention, except certain financial assets and liabilities (including derivative financial instruments) and certain classes of property, plant and equipment – which are measured at fair value through the Consolidated Statement of Comprehensive Income. Accounting policies have been applied consistently, other than where a new accounting policy has been adopted.

The preparation of the consolidated financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board and Executive Management Team ("EMT") (together "Management") to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in Note 3: Critical Accounting Estimates and Assumptions.

The Company has taken advantage of the exemption in Section 408 of the Companies Act 2006 not to present its own income statement or Statement of Comprehensive Income. The loss for the Company for the year was \$0.04 million (2019: \$1.7 million loss).

#### Prior year comparatives

During the year ended 31 December 2020 a classification error was identified in the prior year Consolidated Statement of Cash Flows, whereby cash flows from investing activities included non-cash accruals which were not adjusted from changes in working capital. As a result the net cash inflow from operating activities and net cash outflow from investing activities were both overstated by \$1.2 million. To correct the error, amounts in the prior year consolidated financial statements have been reclassified, resulting in a \$1.2 million decrease in net cash inflows from operations and a \$1.2 million decrease in net cash outflows from investing activities. There is no profit or net asset impact as a result of the prior year restatement. See note 33 for further details.

#### Going Concern

The Board have adopted the going concern basis in preparing the Financial Statements.

In making their going concern assessment, the Board have considered the Group's current financial position, budget and cash flow forecast. The past twelve months has seen the Group's measured response to the COVID-19 pandemic where there were no forced shut-ins or interruptions affecting the Group's operations. The Board have considered the continued potential impact of the COVID-19 pandemic on the Group's operational capabilities, liquidity and financial position over the next twelve month period and beyond. The going concern assessment has considered the current measures put in place by the Group to preserve cash and the ability to reduce discretionary expenditure during a period when the Group has to adapt to a volatile oil price environment.

The Group started 2021 with a strong operating and financial position; 2020 average production of 3,226 barrels of oil per day ("bopd") (2019: 3,007 bopd), cash in hand and at bank of \$20.2 million as at 31 December 2020 (2019: \$13.8 million), and Derivative financial instruments in place protecting a significant proportion of near-term production. In making their going concern assessment, the Board have considered a cash flow forecast based on expected future oil prices, production volumes and discretionary expenditure reductions which could be implemented in response to oil price volatility. The base case forecast was prepared with consideration of the following:

- Future oil prices assumed to be in line with the forward curve prevailing as at May 2021, with an average realised oil price of \$58.6/bbl in the period to December 2021. The forward price curve applied in the cash flow forecast starts at \$59.5/bbl in May 2021, fluctuating each month down to \$57.3/bbl in December 2021 through to \$55.3/bbl in June 2022;

- Average forecast production for the year to December 2021 of 3,067 bopd and for the six months to June 2022 of 3,057 bopd with production being maintained by Recompletions ("RCPs"), Workovers ("WOs") and swabbing activities and no new drilling;
- No SPT incurred on the onshore assets, as the SPT threshold for small onshore has been increased to \$75.0/bbl;
- The purchase of Onshore PS 4 block being completed;
- Trinity continuing with various growth and business development opportunities; and
- Although derivative instruments are in place to protect a portion of cashflows against declining oil prices, no derivative income is assumed to be received over the forecast period.

Management considers this is a reasonable base scenario, reflecting the outlook of the future oil price, current production profile and costs. The cash flow forecast showed that the Group will remain in a strong financial position for at least the next twelve months, and as such being able to meet its liabilities as they fall due.

Management has considered separate stressed scenarios including:

- the effect of reductions in oil prices as low as \$10.0/bbl being sustained across the forecast period, noting that the base case pricing is in line with market prices; and
- the impact of temporary disruption from localised COVID-19 cases reducing forecast production by 15%, albeit operations have continued uninterrupted to date and the nature of the operations reduces the risk of such an eventuality.

All reasonably possible forecasts demonstrate that the Group's cash balances are maintained under such scenarios and being sufficient to meet the Group's obligations as they fall due.

Based on the cash flow forecast, when combined with mitigating actions that are within the Group's control, and having considered the potential impact of COVID-19 pandemic, together with the Government of Trinidad and Tobago's ("GORTT's") response to date, the Board currently believe the Group can maintain sufficient liquidity and a healthy positive cash balance, and remain in operational existence, for at least the next twelve months.

As a result, at the date of approval of the financial statements, the Board have a reasonable expectation that the Group has sufficient and adequate resources to continue in existence for at least twelve months post approval of these financial statements and is poised for continued growth as it expects market conditions to improve. For this reason, the Board have concluded it is appropriate to continue to adopt the going concern basis of accounting in the preparation of the consolidated and company financial statements.

### Changes in accounting policies

#### (a) New standards, interpretations and amendments adopted from 1 January 2020:

New standards impacting the Group that have been adopted in the annual financial statements for the year ended 31 December 2020 are:

- Definition of a Business (Amendments to IFRS 3); and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

The application of these standards has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

#### *Other standards*

New standards that have been adopted in the annual financial statements for the year ended 31 December 2020, but have not had a significant effect on the Group are:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Disclosure Initiative – Definition of Material); and
- Revisions to the Conceptual Framework for Financial Reporting.

#### (b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments will become effective for the period beginning 1 January 2022:

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7);
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16); and
- Annual Improvements to IFRS Standards 2018–2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41).

## Notes to the Consolidated Financial Statements (continued)

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.

The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023. The Group is currently assessing the impact of these new accounting standards and amendments.

### Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the subsidiaries listed in Note 10. The financial information incorporates the financial information of the Group made up to 31 December each year. Control is achieved 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 results of subsidiaries acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Statement of Comprehensive Income. Costs related to an acquisition are expensed as incurred.

Uniform accounting policies have been adopted across the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

### Share-based payments

The Group operates a number of equity-settled, share-based compensation plans comprised of Share Options and Long-Term Incentive Plans ("LTIPs") as consideration for services rendered by the Group's employees. The fair value of the services received in exchange for the grant of share-based payments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options or LTIP awards granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of share-based payments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options or LTIP awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity. When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options and LTIPs over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. 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 investment in subsidiary undertakings, with a corresponding credit to equity.

### Foreign currency translation

#### (a) Functional and presentation currency

Company: The functional and presentation currency of the Company is United States Dollars ("USD" or "\$").

Group: The functional currencies of the Group operating entities are Trinidad & Tobago Dollars ("TTD") and United States dollars as these are the currencies of the primary economic environment in which the entities operate. The presentation currency is USD which better reflects the Group's business activities and improves the ability of users of the financial statements to compare financial results with others in the international Oil and Gas industry. The Consolidated Statement of Financial Position is translated at the closing rate and Consolidated Statement of Comprehensive Income is translated at the average rate from both USD and Great British Pound ("GBP" or "£") currencies. The following exchange rates have been used in the preparation of these financial statements:



	\$	2020 £	\$	2019 £
Average rate TTD= \$/£	6.758	8.646	6.759	8.617
Closing rate TTD= \$/£	6.761	9.213	6.762	8.965

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. FX gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets.

**(c) Group companies**

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Consolidated Statement of Financial Position,
- income and expenses for each statement of profit or loss and Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

**(d) Translation differences**

Differences arising from retranslation of the financial statements at the year-end are recognised in the Translation reserve through "Other comprehensive income".

**Intangible assets**

**(a) Exploration and Evaluation ("E&E") assets**

*i) Capitalisation*

E&E assets are initially classified as intangible assets. Such costs include those directly associated with an exploration area. Upon discovery of commercial reserves capitalisation is recognised within Property, Plant and Equipment.

Oil and natural gas E&E expenditures are accounted for using the successful efforts method of accounting. Under this method, costs are accumulated on a prospect-by-prospect basis and capitalised upon discovery of commercially viable mineral reserves. If the commercial viability is not achieved or achievable, such costs are charged to expense.

Costs incurred in the E&E of assets includes:

- Licence and property acquisition costs.

Exploration and property leasehold acquisition costs are capitalised within E&E assets.

- E&E expenditure.

Costs directly associated with an exploration well are capitalised until the determination of reserves is evaluated. Such costs include topographical, geological, geochemical, and geophysical studies, exploratory drilling costs, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resources. Capitalisation is made within property, plant and equipment or intangible assets according to its nature however a majority of such expenditure is capitalised as an intangible asset. If commercial reserves are found, the costs continue to be carried as an asset. If commercial reserves are not found, E&E expenditures are written off as a dry hole when that determination is made.

## Notes to the Consolidated Financial Statements (continued)

Once commercial reserves are found, E&E assets are tested for impairment and transferred to development tangible and intangible assets as applicable. No depreciation and/or amortisation are charged during the E&E phase.

### ii) Impairment

E&E assets are tested for impairment (in accordance with the criteria set out in IFRS 6: Exploration for and Evaluation of Mineral Resources) whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the E&E assets' carrying amount exceed their recoverable amount. The recoverable amount is the higher of the E&E assets' Fair Value Less Costs of Disposal ("FVLCD") and their Value In Use ("VIU"). For the purposes of assessing impairment, the E&E assets subject to testing are grouped with existing Cash Generating Units ("CGU") of related production fields located in the same geographical region. The geographical region is the same as that used for reserves reporting purposes.

The following indicators are evaluated to determine whether these assets should be tested for impairment:

- The period for which the Group has the right to explore in the specific area has lapsed;
- Whether substantive expenditure on further E&E in the specific area is budgeted or planned;
- Whether E&E in the specific area have not led to the discovery of commercially viable quantities and the Company has decided to discontinue such activities in the specific area; and/or
- Whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

## (b) Computer software

Computer software is initially recognised at cost, once it is purchased. Internally generated software is capitalised once it is proven technological feasibility, probable future benefits, intent and ability to use the software, resources to complete the software, and ability to measure cost. It is amortised over its four year useful life, based on pattern of benefits (straight-line is the default) and charge recognised under DD&A.

## Property, plant and equipment

### (a) Oil & Gas Assets

#### i) Development and Producing Assets – Capitalisation

Development expenditures are costs incurred to obtain access to proven reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. These costs include transfers from E&E subsequent to finding commercially viable reserves, development drilling and new reserve type, infrastructure costs and development Geological and Geophysical ("G&G") costs. Acquisitions of oil and gas properties are accounted for under the acquisition method where the transaction meets the definition of a business combination.

Transactions involving the purchases of an individual field interest, or a group of field interests, that do not meet the definition of a business (and therefore do not apply business combination accounting) are treated as asset purchases, irrespective of whether the specific transactions involve the transfer of the field interests directly, or the transfer of an incorporated entity. Accordingly, the consideration is allocated to the assets and liabilities purchased on a relative fair value basis.

Proceeds on disposal are applied to the carrying amount of the specific asset or development and production assets disposed of. Any excess is recorded as a gain on disposal in the Consolidated Statement of Comprehensive Income and any shortfall between the proceeds and the carrying amount is recorded as a loss on disposal in the Consolidated Statement of Comprehensive Income.

Development expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development commercially proven wells is capitalised according to its nature. When development is completed on a specific field it is transferred to Production Assets. No depreciation and/or amortisation are charged during the development phase.

Expenditure on G&G surveys used to locate and identify properties with the potential to produce commercial quantities of oil and gas as well as to determine the optimal location for development wells are capitalised.

#### ii) Development and Producing Assets – Impairment

An impairment test is performed whenever events and circumstances arising during the development or production phase indicate that the carrying value of a development or production asset may exceed its recoverable amount. Impairment triggers include but are not limited to, declining long term market prices for oil and gas, significant downward reserve revisions, increased regulations or fiscal changes, market capitalisation being below net assets, deteriorating local conditions such that it become unsafe to continue operations and obsolescence.

The carrying value is compared against the expected recoverable amount. The recoverable amount is the higher of an asset's FVLCD and the VIU. For the purposes of assessing impairment, assets are grouped at the lowest levels

(its CGU) for which there are separately identifiable cash flows. The CGU applied for impairment test purposes is generally the field. These fields are the same as that used for reserves reporting purposes.

iii) *Producing Assets – DD&A*

The provision for DD&A of developed and producing Oil & Gas Assets are calculated using the unit-of-production method. Oil & Gas Assets are depreciated generally on a field-by-field basis using the unit-of-production method which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future development costs. Changes in the estimates of commercial reserves or future development costs are dealt with prospectively.

iv) *Decommissioning asset*

Provision for decommissioning is recognised in accordance with the contractual obligations at the commencement of oil and gas production. The amount recognised is the net present value of the estimated cost of decommissioning at the end of the economic producing lives of the wells and the end of the useful lives of refinery and storage units. Such costs include removal of equipment and restoration of land or seabed. The unwinding of the discount on the provision is included in the Consolidated Statement of Comprehensive Income within finance costs.

A corresponding asset is also created at an amount equal to the provision. This is subsequently depleted as part of the capital costs of the production assets. Any change in the present value of the estimated expenditure or discount rates are reflected as an adjustment to the provision and the asset and dealt with prospectively.

**(b) Non-Oil & Gas Assets**

All property, plant and equipment are recorded at historical cost less accumulated depreciation and any impairment losses. Historical cost includes the original purchase price of the asset and expenditure that is directly attributable to bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The provision for depreciation with respect to operations other than oil and gas producing activities is computed using the straight-line method based on estimated useful lives as follows:

Leasehold and buildings	20 years
Plant and equipment	4 years
Other	4 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the Consolidated Statement of Comprehensive Income.

Repairs and maintenance are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing assets will flow to the Group. Major renovations such as leasehold improvements are depreciated over the remaining useful life of the related asset.

**Impairment of non-financial assets**

At each reporting date, assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's FVLCD and VIU. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**Inventories**

Crude oil is stated at the lower of cost and net realisable value. Cost is determined by the average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Materials and supplies used mainly in drilling wells, RCPs and WOs are stated at lower of cost and net realisable value. Cost is determined using the weighted average cost method.

## Notes to the Consolidated Financial Statements (continued)

### Cash and Cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, Cash and Cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Trade receivables

Trade receivables are amounts due from customers for crude oil sold in the ordinary course of business. They are generally due for settlement within thirty days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value.

The Group applies the simplified approach to determine impairment of trade receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the lost allowance for the period.

### Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### Impairment of Financial Assets

The financial assets within the Group are subject to the Expected Credit Losses ("ECL") model. However, the Group applies the ECL model to trade receivables for sales of inventory and from the provision of consulting services as well as Intercompany receivables. While Cash and Cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

#### (i) Trade receivables

The Group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

Financial assets recognition of impairment provisions under IFRS 9 is based on the ECL model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability weighted amount that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions. The Group applied the simplified approach to determine impairment of its trade and other receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Group's historical default rates observed over the expected life of the receivables and adjusted forward looking estimates. This is then applied to the gross carrying amount of the receivables to arrive at the loss allowance for the period.

#### (ii) Intercompany receivables

The Company applies IFRS 9 through the recognition of ECL for intercompany. Intercompany positions eliminate in the consolidated financial statements. In measurement of the ECL, IFRS 9 notes that the maximum period over which expected impairment losses is measured is the longest contractual period where the Company is exposed to credit risk. The three-stage general impairment model was used, Probability of Default ("PD") x Loss Given Default ("LGD") x Exposure at Default ("EAD"). Measurement of the ECL at a probability-weighted amount that reflects the possibility of a credit loss occurs, and the possibility that no credit loss occurs and even if the possibility of a credit loss occurring is low.

### Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in DTA and DTL attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, DTL are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit/loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

DTA are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

DTL and DTA are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

DTA and DTL are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### Property Tax ("PT")

PT is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Assessments are based on the Annual Rental Value ("ARV") of property. The Annual Taxable Value ("ATV") is the ARV subject to deductions and allowances in respect of voids and loss of rent multiplied by the respective PT rate. The PT rates applicable to the Group are industrial with building rates at 6% and industrial without building rates at 3%.

### Revenue recognition

IFRS 15 Revenue from Contracts with Customers requires that revenue is recognised by performance obligation, as or when each performance obligation is satisfied, and that variable elements of pricing are recognised and to the extent that it is not highly probable they will be reversed.

The Group has evaluated its customer contract with the Heritage Petroleum Company Limited ("Heritage") formerly the Petroleum Company of Trinidad and Tobago Limited ("Petrotrin"), to identify the performance obligations, the timing of the revenue recognition and the treatment of variable elements of pricing. Sales revenue represents the sales value of the Group's oil sold in the year.

Revenue associated with the sale of crude oil is measured based on the consideration specified in contracts with customers.

Revenue is recognised when control is transferred from the Group to its customer and the Group has the present right to payment. The transfer of control of crude oil coincides with title passing to the customer and the customer taking physical possession. Typically, payment for the sale of the oil is received by the end of the month following the month in which the sale is recognised.

Prices are based on prices determined by Heritage, with agreed contractual adjustments for quality. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for oil and gas products in the normal course of business.

### Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

## Notes to the Consolidated Financial Statements (continued)

### Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities were measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the group's incremental borrowing rate. The lease payments are discounted using the Group's incremental borrowing rate, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, Trinity received an indicative third party lending rate from Central Bank of Trinidad and Tobago.

Right of use assets were initially measured at the amount of the lease liability. Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease.

In 2020 the Group revised its estimates due to the lease term of the copiers being renewed in August 2020 for an additional 36 months. As a result, there was an adjustment in the carrying amount of the lease liability to reflect the payments to be made over over the revised term, which was discounted using a revised discount rate. Equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Extension and termination options are included in a few leases entered into by the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

In determining the lease term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### Share capital

Ordinary shares are classified as equity. The nominal value of any shares issued is recognised in share capital with the excess above the nominal amount paid being shown within share premium.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity. Where, on issuing shares, share premium has been recognised, the expenses of issuing those shares and any commission paid on the issue of those shares have been written off against the share premium account.

### Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group has not applied hedge accounting and all oil price derivative financial instruments (categorised as Derivative Income/(Expenses)) are measured at fair value through profit and loss.

Financial assets at fair value through profit or loss are classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise they are classified as non-current. Financial assets are derecognised when the rights to the cash flows expire, risks and rewards are transferred or control of the asset is transferred.

A financial liability is removed from the Statement of Financial Position only when it is extinguished; that is, when the obligation specified in the contract is discharged, cancelled or expired.

### Investments

Investments are shown at cost less provision for any impairment in value. The Company performs impairment reviews in respect of investments whenever events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. An impairment loss is recognised when the higher of the investment's net realisable value and fair value less cost of disposal is less than the carrying amount.

### Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are distinct from routine operations which are material items of income or expense that have been shown separately due to the non-recurring nature and in the significance of their nature or amount.

## 2 Financial Risk Management

### Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group's overall Risk Management program seeks to minimise potential adverse effects on the Group's financial performance.

Management is responsible for Group Risk Management and for identifying and evaluating financial risks.

#### (a) Market risk

##### (i) Foreign Exchange ("FX") risk

The Group is exposed to FX risk primarily with respect to the United States dollar. FX risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency.

##### FX sensitivity

The Group is mainly exposed to the currency fluctuations of the US dollar. The sensitivity analysis principally arises on FX gain/loss on translation of the USD denominated receivables. The following table details the Group's sensitivity to a 10% (2019: 10%) increase and decrease in the functional currency (TT Dollar) of the main operating subsidiary against the US Dollar with all other variables held constant. 10% (2019: 10 %) is the sensitivity rate that best represents Management's assessment of the possible change in the foreign exchange rates affecting the Group. A positive number below indicates an increase in profit and equity when the US dollar weakens against the functional currency. For a strengthening of the US Dollar against the functional currency, there would be an equal and opposite impact on the profit and equity, and the balances below would be negative.

	2020 \$'000	2019 \$'000
<b>Profit/(loss) for the year and Equity</b>		
10% strengthening of the US Dollar/ (2019: 10%)	<b>(168)</b>	(303)
10% weakening of the US Dollar/ (2019: 10%)	<b>168</b>	303

##### (ii) Price risk

The Group is exposed to commodity price risk regarding its sales of crude oil which is an internationally traded commodity.

##### Price risk sensitivity

The Group is a price taker and is mainly exposed to the risk relating to price fluctuations. The following table details the Group's sensitivity to a 20% (2019: 20%) increase and decrease in realised oil prices. 20% (2019: 20%) is the sensitivity rate that best represents Management's assessment of the possible change in the oil prices that may affect the Group. A positive number below indicates an increase in revenue, while, there would be an equal and opposite impact on revenue if there is a decrease in prices by 20%.

	2020 \$'000	2019 \$'000
<b>Profit/(loss) for the year</b>		
20% increase in price/ (2019: 20%)	11,702	12,701
20% decrease in price/ (2019: 20%)	(11,702)	(12,701)

The Group implemented crude derivatives during the financial year, the purpose of which is to offer protection in the event of oil prices declining significantly.

##### (iii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings which expose the Group to cash flow interest rate risk. The Group manages risk by limiting the exposure to floating interest rates and maintaining a balance between floating and fixed contract rates.

At 31 December 2020, there were no loan commitments to attract interest rates on foreign currency-denominated borrowings, (2019: nil). During 2020 there was a bank overdraft facility which incurred \$0.1 million interest (2019: nil).

## Notes to the Consolidated Financial Statements (continued)

### (b) Credit risk

Credit risk arises from Cash and Cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, Management determines the placement of funds based on its judgement and experience to minimise risk.

All sales are made to a state-owned entity, Heritage.

The Group applies an IFRS 9 simplified model for measuring the ECL which uses a lifetime expected loss allowance and are measured on the days past due criterion. Having reviewed past payments combined with the credit profile of its existing trade debtors in order to assess the potential for impairment, Management made the decision in keeping with the standard to calculate a provision for long outstanding receivables associated with the Petrotrin outstanding ORR incentive receipts. The ECL for those sales were assessed at the end of the year and was immaterial. A provision matrix was applied to determine the historical and forward-looking loss rates which was used to ultimately calculate an ECL allowance, which resulted in a provision being made of \$0.01 million.

For the Heritage sales, the ECL was immaterial as all sales payment were made during the stipulated time frame. However, ECL was also calculated on other receivable balances and a provision of \$0.9 million was derived. Similar to sales a provision matrix was applied to determine the historical and forward-looking loss rates which was used to ultimately calculate an ECL allowance.

The Company also assessed impairment through the three-stage approach to derive at the ECL. Through assessing impairment via this method, a provision amount of \$0.1 million was calculated.

### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Group's liquidity and Cash and Cash equivalents on the basis of expected cash flow. At the end of the year the Group held cash at bank of \$20.2 million (2019: \$13.8 million).

Management monitors rolling forecasts of the Group's Cash and Cash equivalents on the basis of expected cash flows. This is carried out at the Group level in accordance with practice and limits set by the Group, refer to the disclosures in Note 1: Background and accounting policies – Going Concern for more information regarding the factors considered by the Company in managing liquidity risk.

The table below analyses the Group's and Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- (a) All non-derivative financial liabilities, and
- (b) Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities.



<b>Group</b>				
<b>At 31 December 2020</b>	<b>Less than 1 year \$'000</b>	<b>1 to 2 years \$'000</b>	<b>2 to 5 years \$'000</b>	<b>Total \$'000</b>
<b>Non-derivatives</b>				
Trade and other payables	<b>7,803</b>	-	-	<b>7,803</b>
Lease liabilities	<b>614</b>	<b>442</b>	<b>23</b>	<b>1,079</b>
	<b>8,417</b>	<b>442</b>	<b>23</b>	<b>8,882</b>
<b>At 31 December 2019</b>	\$'000	\$'000	\$'000	\$'000
<b>Non-derivatives</b>				
Trade and other payables	10,386	-	-	10,386
Lease liabilities	637	447	393	1,477
	11,023	447	393	11,863
<b>Company</b>				
<b>At 31 December 2020</b>	<b>Less than 1 year \$'000</b>			<b>Total \$'000</b>
<b>Non-derivatives</b>				
Trade and other payables	<b>481</b>			<b>481</b>
	<b>481</b>			<b>481</b>
<b>At 31 December 2019</b>	\$'000			\$'000
<b>Non-derivatives</b>				
Trade and other payables	508			508
	508			508

**(d) Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net Cash/(Debt) is calculated as total borrowings less Cash and Cash equivalents. Borrowing relates to the overdraft facility where all covenants (current ratio not less than) were met. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial position plus Net Cash/(Debt).

	<b>2020 \$'000</b>	2019 \$'000
Net cash	<b>(17,537)</b>	(13,810)
Total equity	<b>48,552</b>	50,425
Total capital	<b>31,015</b>	36,615
Gearing ratio	<b>(56.5)%</b>	(37.7)%

## Notes to the Consolidated Financial Statements (continued)

### (e) Fair value estimation

The Group and Company have classified financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. See Note 19 for details.

## 3. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires the use of accounting estimates which, by definition, seldom equal the actual results. Management also exercise judgement in applying the Group's and the Company's accounting policies. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### (a) Recoverability of DTA

DTA mainly arise from tax losses and are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those DTA are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability on key estimates of future cost, production volumes, price and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of DTA recognised which can result in a charge or credit during the period in which the change occurs. The Group has concluded that the DTA recognised will be recoverable using approved business plans and budgets for the specific subsidiaries in which the DTA arose. See note 16.

### (b) Provision for decommissioning costs

This provision is significantly affected by changes in technology, laws and regulations which may affect the actual cost and timing of decommissioning to be incurred at a future date. The estimate is also impacted by the discount rates used in the provisioning calculations. The discount rates used are the Group's risk-free rate and the core inflation rate applicable. The provision has been estimated using a rate based on maturity and a core inflation rate. See Note 25: Provision for other liabilities.

	Bands (years)	2020	2019
Risk free rates	9-12	<b>3.14%</b>	2.13%
	13-18	<b>3.17%</b>	3.07%
	19-24	<b>2.42%</b>	2.91%
Inflation rate		<b>2%</b>	2%

The following table details the Group's sensitivity to a 1% (2019: 1%) increase and decrease in discount and inflation rates. 1% (2019: 1%) is the sensitivity rate that best represents Management's assessment of the possible change in the rates that may affect the Group. A positive number below indicates an increase in provisions and finance costs, while a negative number indicates a decrease in provisions and finance costs. The impact in 2020 of a 1% change in these variables is as follows:

	<b>Consolidated Statement of Financial Position: Obligation 2020 \$'000</b>	Consolidated Statement of Comprehensive: Income/Expense 2020 \$'000
<b>Discount rate</b>		
1% increase in assumed rate	<b>(7,790)</b>	181
1% decrease in assumed rate	<b>9,679</b>	(289)
<b>Inflation rate</b>		
1% increase in assumed rate	<b>9,638</b>	231
1% decrease in assumed rate	<b>(7,903)</b>	(194)

### (c) Estimation of reserves

All reserve estimates involve some degree of uncertainty, which depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate. Generally, reserve estimates are revised as additional data becomes available. The Group's reserve estimates are also evaluated when required by independent external reserve evaluators. The last independent external reserve valuation was done in 2012. Since 2012 up to and including 2020 the Group estimated its own commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates.

The key assumptions used in the estimation of reserves are as follows:

- Technical production profiles for the various assets onshore and offshore held by the Group.
- Economic assumptions such as forecast period, discount rate, crude price, operating cost, capital expenditure and fiscal structure.

As the economic assumptions used may change, and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may also change. Such changes may impact the Group's reported financial position and results, which include:

- The carrying value of E&E assets, oil and gas properties, property and plant and equipment, may be affected due to changes in estimated future cash flows. See note 11 and 13.
- Depreciation and amortisation charges in profit or loss are depreciated on a unit of production basis at a rate calculated by reference to proved and probable ("2P") reserve estimates and incorporating the estimated future cost of developing and extracting those reserves. There may be changes where such charges are determined using the unit of production method, or where the useful life of the related assets change. See note 11 and 13.
- Provisions for decommissioning may change - where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities. See note 25.
- The recognition and carrying value of DTA may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets. See note 16.

As at 31 December 2020 all subsidiaries onshore and offshore 2P reserve estimates were re-evaluated by the EMT and approved by the Board.

### (d) Impairment of Property, Plant And Equipment

Management performs impairment assessments on the Group's property, plant and equipment once there are indicators of impairment. Triggers for impairment relates to changes in the key factors that impact on impairment which are production, oil price, capital expenditures and operating expenditures. In order to test for impairment, the higher of FVLCD and VIU calculations are prepared and an estimate of the timing and amount of cash flows expected respectively to arise from the CGU. A CGU represents an individual field or asset held by the Group. During 2020 an impairment charge of \$1.1 million was recognised on the Group's property, plant and equipment (2019: \$15.2 million) see Note 11. The impairment charge resulted in the carrying amount of the respective CGUs being written down to their recoverable amount.

## Notes to the Consolidated Financial Statements (continued)

**Oil & Gas Assets \$1.1 million (2019: \$15.2 million) impairment**

Management has carried out an impairment test on the Oil & Gas Assets classified as property, plant and equipment. This test compares the carrying value of the assets at the reporting date with the recoverable amount for each CGU. The recoverable amount is the higher of the FVLCD and VIU. The FVLCD is the amount that a market participant would pay for the CGU less the cost of disposal. The FVLCD approach utilised a discounted cash flow based on the 2P reserve estimates of the CGUs of the Group. VIU is the present value of the future cash flows expected to be derived from an asset or CGU in its current condition. The period over which Management has projected its cash flow forecast, ranges between 9-24 year economic lives based on the field economic life profile. The field economic life profile was derived by using licence extension data which is permitted in accordance with the Society of Petroleum Engineers ("SPE") reserves reporting guidelines outlined in the 2019 Petroleum Resource Management System ("PRMS"). While there is the risk that licences may not be renewed upon expiry, Management considers this to be very low based on historic precedent. For the discounted cash flows to be calculated, Management has used a production profile based on its best estimate of proven and probable reserves of each CGU and a range of assumptions, including an external oil and gas price profile and a discount rate which, taking into account other assumptions used in the calculation, Management considers to be reflective of the risks. The impairment calculation considers the decommissioning asset and liability used to derive the impairment charge.

The discounted cash flow approach assessment involves judgement as to the likely commerciality of the asset. For the discounted cash flows to be calculated, Management has used a production profile based on its 2P reserve estimate of the assets and a range of assumptions (see note 3(c)). Its 2P reserves which are estimated using standard recognised evaluation techniques on a fully funded basis; future revenues and estimated development costs and decommissioning liabilities pertaining to the CGU's; and a discount rate utilised for the purposes of deriving a recoverable value.

	2021	2022	2023	2024	2025	2026
Realised price	46.3	44.3	43.0	42.2	41.8	41.8

If the price deck used in the impairment calculation had been 10% lower than Management's estimates at 31 December 2020, the Group would have a \$1.0 million increase on impairment of Oil & Gas Assets (2019: \$3.5 million increase). If the price deck used in the impairment calculation had been 10% higher than Management's estimates at 31 December 2020, the Group would have \$0.6 million decrease on impairment of the Oil & Gas Assets (2019: \$6.0 million decrease). The valuation is considered to be a level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

For the year ended 31 December 2020, Management's estimate of the Group's cost of capital was 12% (2019:13%). If the estimated cost of capital used in determining the post-tax discount rate for the CGU's had been 1% lower than Management's estimates the Group would have \$0.2 million decrease on impairment position for 2020 (2019: \$0.7 million decrease) against Oil & Gas Assets within property, plant and equipment. If the estimated cost of capital had been 1% higher than Management's estimates the Group would have \$0.2 million increase on impairment for 2020 (2019: \$0.7 million).

**(e) Impairment of intangible E&E assets**

In estimating the recoverability of exploration asset Management considers contingent resources associated with certain evaluation assets as estimated by the Group's internal experts. Furthermore, Management factors in future development plans and licence expiries into the assessment. Exploration assets remain capitalised as long as sufficient progress is being made in assessing whether petroleum production is technically feasible and commercially viable. This assessment requires significant Management judgement, as exploration assets are subject to regular internal review to confirm the continued intent to establish the technical feasibility and commercial viability of a project. At the end of 2020 a review for impairment triggers was carried out and there were no impairment losses realised against the carrying values of the Group's E&E assets.

The Group reviews the carrying values of intangible E&E assets when there are impairment indicators which would tell whether an E&E asset has suffered any impairment. The amounts of intangible E&E assets represent the costs of active projects the commerciality of which is unevaluated until reserves can be appraised.

**(f) Property Tax Accrual**

Property Tax is assessed on property owned by the Group in Trinidad and Tobago governed by the Property Tax Act 2009 and later Property Tax (Amendment) Act 2018 of Trinidad and Tobago. The calculation of the Property tax is described in note 1 Background and Summary of significant accounting policies.

At the end of 2020 the property tax accrued for the period 2018 to 2020 with Trade and Other Payables was \$1.5 million (2019: \$1.0 million). Property Tax has been accrued using Management's best estimate, as the administration arrangements of the Property Tax under the Valuation of Land Act is not in place and the actual method for calculating the Property Tax is therefore unavailable. There is sentiment, based on government communication that until the administration arrangements are put in place by the Government of Trinidad and Tobago the Property Tax will not be collected over those respective years (2018-2020) and a waiver might be forthcoming. As at 31 December 2020 and the date of this report that waiver has not been enacted and Management's judgement is to continue to assess that a liability is required based on the current tax law enacted.

**(g) Share based payments**

The Company has in place a share-based compensation plan (the LTIP), for Executive Directors and the EMT which is designed to provide long term incentives to align interests with shareholders. The Company measures the cost of these equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share-based payments is measured using a Monte Carlo or Black-Scholes option pricing model. The measurement inputs to this model, including expected volatility, weighted average expected life of the instruments, expected dividends and risk-free interest rate, rely on Management judgements. See note 22 for details.

**4 Segment Information**

The Steering Committee provides support, guidance and oversight on the progression of the Company through various project that may be undertaken. The committee is led by the Group's chief operating decision-maker. Management has determined the operating segments which are Onshore, West Coast and East Coast reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for making strategic decisions inclusive of; allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as the EMT (which comprises the Executive Chairman, Managing Director, Chief Financial Officer, Chief Operations Officer and Chief of Staff & General Counsel) which makes strategic decisions in accordance with Board policy.

Management have considered the requirements of IFRS 8 Operating Segments, in regard to the determination of operating segments, and concluded that the Group has only one significant operating segment being the exploration and development, production and extraction of hydrocarbons.

All revenue is generated from crude oil sales in T&T to one customer, Heritage. All non-current assets of the Group are located in T&T.

**5 Operating Profit Before Impairment and Exceptional Items**

	2020 \$'000	2019 \$'000
Operating profit before exceptional items is stated after taking the following items into account:		
DD&A (Note 11)	<b>7,566</b>	9,218
Depreciation on ROU (Note 12)	<b>502</b>	477
Amortisation of computer software (Note 13)	<b>106</b>	77
Employee costs (Note 32)	<b>7,662</b>	7,773
Inventory recognised as expense, charged to operating expenses	<b>330</b>	104

**Auditors' remuneration**

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's Auditors as detailed below:

	2020 \$'000	2019 \$'000
- Fees payable to the Company's auditors' and their affiliated firms for the audit of the parent Company and consolidated financial statements:		
BDO LLP (UK based)*	<b>93</b>	153
BDO Limited (T&T based)*	<b>127</b>	124
- Fees payable to the Company's auditors' for other services:		
The audit of Company's subsidiaries	<b>13</b>	20
Audit related assurance services – interim review	<b>29</b>	38
<b>Total assurance and auditors' remuneration</b>	<b>262</b>	335

\* Please note that prior year relates to previous auditors.

All fees in 2020 are in respect of services provided by BDO LLP and their affiliated firms. The independence and objectivity of the external auditors are considered on a regular basis by the Audit Committee, with particular regard to the level of non-audit fees incurred.

## Notes to the Consolidated Financial Statements (continued)

### 6 Exceptional Items

Items that are material either because of their size, their nature, or that are non-recurring are considered as exceptional items and are presented within the line items to which they best relate. During the current period, exceptional items as detailed below have been included in the Consolidated Statement of Comprehensive Income. An analysis of the amounts presented as exceptional items in these financial statements are highlighted below.

	2020 \$'000	2019 \$'000
<b>Exceptional items:</b>		
Reversal of Impairment on equipment	(126)	-
Fees relating to corporate restructuring advice	83	-
Exceptional Income	(43)	-

#### Exceptional items 2020<sup>1</sup>:

- Reversal of Impairment on equipment: (\$0.1) million credit in relation to reversal of impairment for pumping Unit.
- Fees relating to corporate restructuring advice: \$0.1 million charge in relation to professional advice on a potential corporate restructuring.

Note 1: Impairment losses on property, plant and equipment have been reclassified from exceptional items in 2020 and 2019 comparative.

### 7 Finance income and costs

Recognised in the consolidated statement of comprehensive income

	2020 \$'000	2019 \$'000
<b>Finance income</b>		
Interest Income	108	138

	2020 \$'000	2019 \$'000
<b>Finance costs</b>		
Decommissioning – Unwinding of discount (Note 25)	(1,221)	(1,198)
Interest on Leases	(140)	(174)
Interest on overdraft	(55)	-
	(1,416)	(1,372)

### 8 Income Taxation

	2020 \$'000	2019 \$'000
<b>Current tax</b>		
Petroleum profits tax	817	-
Unemployment levy	333	390
<b>Deferred Tax</b>		
- Current year		
Movement in asset due to tax losses recognised (Note 16)	3,365	(3,389)
Movement in liability due to accelerated tax depreciation (Note 16)	(1,577)	(1,409)
<b>Income tax expense/(credit)</b>	2,938	(4,408)

The Group's effective tax rate varies from the statutory rate for UK companies of 19% (2019:19%) as a result of the differences shown below:

	2020 \$'000	2019 \$'000
<b>Profit/(loss) before taxation</b>	<b>103</b>	(14,055)
Tax calculated at domestic tax rates applicable to profits in the respective countries	<b>741</b>	(6,236)
Expenses not deductible for tax purposes	<b>2,163</b>	9,833
Impact on tax losses	<b>(2,187)</b>	(2,962)
Deferred tax on capital allowances in the current period recognised	<b>(1,389)</b>	(2,044)
Tax losses previously generated now recognised in the current period	<b>3,365</b>	(3,389)
Other reconciling differences	<b>245</b>	390
<b>Tax charge</b>	<b>2,938</b>	(4,408)

Corporate income tax is calculated at 19% (2019: 19%) of the assessable profit for the year for the UK parent company, 55% for the operating subsidiaries in Trinidad and Tobago (2019: 55%) and 30% (2019: 30%) for the corporate subsidiaries in Trinidad and Tobago.

Taxation losses at 31 December 2020 available for set off against future taxable profits amounts to approximately \$237.2 million (2019: \$240.2 million), with tax losses recognised of \$12.0 million in 2020. These losses do not have an expiry date and have not yet been confirmed by the Board of Inland Revenue ("BIR") and the Her Majesty's Revenue and Customs ("HMRC"). The 2019 reconciliation was revised using the same method as 2020.

## 9 Earnings Per Share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary Shareholders by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated using the weighted average number of ordinary shares adjusted to assume the conversion of all potentially dilutive ordinary shares.

	Loss \$'000	Weighted Average Number Of Shares '000'	Earnings Per Share \$
<b>Year ended 31 December 2020</b>			
Basic	<b>(2,835)</b>	<b>386,233</b>	<b>(0.01)</b>
Diluted	<b>(2,835)</b>	<b>386,233</b>	<b>(0.01)</b>
<b>Year ended 31 December 2019</b>			
Basic	(9,647)	384,049	(0.03)
Diluted	(9,647)	384,049	(0.03)

### Impact of dilutive ordinary shares:

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The awards issued under the Company's LTIP (see movements in number of LTIPs Note 22) are considered potential ordinary shares. Share Options of 1,975,084 are considered potential ordinary shares and have not been included as the exercise hurdle would not have been met.

There was no impact on the weighted average number of shares outstanding during 2020 as all Share Options and LTIP's were excluded from the weighted average dilutive share calculation because their effect would be anti-dilutive and therefore both basic and diluted earnings per share are the same in 2020.

## Notes to the Consolidated Financial Statements (continued)

### 10 Investment In Subsidiaries

Company	2020 \$'000	2019 \$'000
Opening balance	59,306	58,489
Share based payment	715	817
Closing balance	<b>60,021</b>	59,306

The investment in subsidiaries is recognised initially at the fair value of the consideration paid. The Group subsequently measures the investment in subsidiaries at cost less impairments. Increases in the investment in subsidiaries relate to capital contributed by the Company to its subsidiary undertakings.

#### Listing of Subsidiaries

The Group's subsidiaries at 31 December 2020 are listed below:

Name	Registered Address/ Country of Incorporation	Nature of Business	% Shares held by the Group
Bayfield Energy Limited	c/o Pinsent Masons LLP, 1 Park Row, Leeds, LS1 5AB, UK	Holding Company	99.99%
Trinity Exploration & Production (UK) Limited	13 Queen's Road, Aberdeen, AB15 4YL, UK	Holding Company	100%
Trinity Exploration and Production Services (UK) Limited	c/o Pinsent Masons LLP, 1 Park Row, Leeds, LS1 5AB, UK	Service Company	100%
Bayfield Energy do Brasil Ltda	Av. Presidente Vargas 509, Rio de Janeiro, 20071-003, Brazil	Dormant	100%
Trinity Exploration & Production (Barbados) Limited	Ground Floor, One Welches, Welches, St. Thomas BB22025, Barbados	Holding Company	100%
Trinity Exploration and Production (Trinidad and Tobago) Limited	3rd Floor Southern Supplies Limited Building, 40 -44 Sutton Street, San Fernando, Trinidad & Tobago ("Trinidad address")	Holding Company	100%
Trinity Exploration and Production (Galeota) Limited	Trinidad address	Oil and Gas	100%
Oilbelt Services Limited	Trinidad address	Oil and Gas	100%
Trinity Exploration and Production Services Limited	Trinidad address	Service Company	100%
Tabaquite Exploration & Production Company Limited	Trinidad address	Oil and Gas	100%
Trinity Exploration and Production (GOP) Limited	Trinidad address	Oil and Gas	100%
Trinity Exploration and Production (GOP-1B) Limited	Trinidad address	Oil and Gas	100%



## 11 Property, Plant and Equipment

	Plant & Equipment \$'000	Leasehold & Buildings \$'000	Oil & Gas Assets \$'000	Other \$'000	Total \$'000
<b>Year ended 31 December 2020</b>					
Opening net book amount at 1 January 2020	1,141	1,652	39,587	-	42,380
Disposals	-	(2)	-	-	(2)
Additions	1,124	(16)	2,983	-	4,091
Adjustment to decommissioning estimate (Note 24)	-	-	(152)	-	(152)
Impairment reversal equipment	126	-	-	-	126
Impairment charge <sup>1</sup>	(116)	-	(1,005)	-	(1,121)
DD&A charge for year	(247)	(153)	(7,166)	-	(7,566)
<b>Closing net book amount at 31 December 2020</b>	<b>2,028</b>	<b>1,481</b>	<b>34,247</b>	<b>-</b>	<b>37,756</b>
At 31 December 2020					
Cost	14,894	3,338	300,857	336	319,425
Accumulated DD&A and impairment	(12,866)	(1,857)	(266,610)	(336)	(281,669)
<b>Closing net book amount</b>	<b>2,028</b>	<b>1,481</b>	<b>34,247</b>	<b>-</b>	<b>37,756</b>
<b>Year ended 31 December 2019</b>					
Opening net book amount at 1 January 2019	962	1,705	50,932	-	53,599
Additions	369	111	11,676	-	12,156
Adjustment to decommissioning estimate (Note 25)	-	-	1,031	-	1,031
Impairment <sup>1</sup>	-	-	(15,187)	-	(15,187)
DD&A charge for year	(190)	(164)	(8,864)	-	(9,218)
Translation difference	-	-	(1)	-	(1)
<b>Closing net book amount at 31 December 2019</b>	<b>1,141</b>	<b>1,652</b>	<b>39,587</b>	<b>-</b>	<b>42,380</b>
At 31 December 2019					
Cost	13,760	3,356	298,879	336	316,331
Accumulated DD&A and impairment	(12,619)	(1,704)	(259,291)	(336)	(273,950)
Translation difference	-	-	(1)	-	(1)
<b>Closing net book amount</b>	<b>1,141</b>	<b>1,652</b>	<b>39,587</b>	<b>-</b>	<b>42,380</b>

<sup>1</sup> An impairment loss of \$1.1 million (2019: \$15.2 million) was recognised on Oil & Gas Assets (see Note 3 (d)) as a result of the carrying value being higher than the recoverable amount. The recoverable amount was determined by assessing its fair value less costs of disposal.

## Notes to the Consolidated Financial Statements (continued)

### 12 Leases

The Group has recognised ROU assets and lease liabilities

(i) *Amounts recognised in the Consolidated Statement of Financial Position*

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	31 December 2020 \$'000	31 December 2019 \$'000
<b>Right-of-use assets</b>		
Non-current assets	<b>1,014</b>	1,402
<b>Lease Liabilities</b>		
Current	<b>614</b>	637
Non-current	<b>465</b>	841
	<b>1,079</b>	1,478

The ROU assets relate to Motor vehicles, Office building, Staff housing and Office equipment leases that met the recognition criteria of a Lease under IFRS 16.

(ii) *Amounts recognised in the Consolidated Statement of Comprehensive Income*

The Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

	2020 \$'000	2019 \$'000
<b>Depreciation charge of ROU assets</b>		
Depreciation	<b>(502)</b>	(477)
<b>Interest expense (including finance cost)</b>	<b>(140)</b>	(173)

The total cash outflow for leases in 2020 was \$0.6 million (2019: \$0.6 million).

(iii) *The Group's leasing activities and how these are accounted for*

The Group leases various offices, equipment, staff housing and vehicles. Rental contracts are typically made for fixed periods of 6 months to 4 years.

Contracts may contain both lease and non-lease components. There were no non-lease components identified and as such the Group allocates the consideration in the contract to a single lease component based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

### 13 Intangible Assets

The carrying amounts and changes in the year are as follows:

	Exploration and Evaluation assets \$'000	Computer software \$'000	Total \$'000
<b>Year ended 31 December 2020</b>			
Opening net book amount at 1 January 2020	25,987	268	26,255
Additions	1,055	145	1,200
Amortisation charge for year	-	(106)	(106)
<b>Closing net book amount at 31 December 2020</b>	<b>27,042</b>	<b>307</b>	<b>27,349</b>
At 31 December 2020			
Cost	27,042	520	27,562
Accumulated amortisation	-	(213)	(213)
<b>Closing net book amount</b>	<b>27,042</b>	<b>307</b>	<b>27,349</b>
<b>Year ended 31 December 2019</b>			
Opening net book amount at 1 January 2019	25,511	246	25,757
Additions	476	99	575
Amortisation charge for year	-	(77)	(77)
<b>Closing net book amount at 31 December 2019</b>	<b>25,987</b>	<b>268</b>	<b>26,255</b>
At 31 December 2019			
Cost	25,987	375	26,362
Accumulated amortisation	-	(107)	(107)
<b>Closing net book amount</b>	<b>25,987</b>	<b>268</b>	<b>26,255</b>

Computer Software: In 2020, capital cost incurred for software acquisition.

E&E assets: Represents the cost for the TGAL 1 exploration well and further field E&E cost. The Group tests whether E&E assets has suffered any impairment triggers on an annual basis and there were no impairment triggers (2019: nil).

### 14 Abandonment fund

	2020 \$'000	2019 \$'000
At 1 January	3,378	2,979
Additions	112	399
<b>At 31 December</b>	<b>3,490</b>	<b>3,378</b>

Abandonment funds are restricted cash put aside in escrow for abandonment and environmental purposes in accordance with contractual obligations to be used in accordance with the contract.

## Notes to the Consolidated Financial Statements (continued)

### 15 Performance bond

	2020 \$'000	2019 \$'000
At 1 January and 31 December	253	253

A Performance Bond in favour of Heritage was put in place on 3 July 2017 of \$0.3 million at 1.75% rate per annum, executed with First Citizens Bank Trinidad and Tobago Limited and is effective until 31 December 2020. These funds have been restricted to a Fixed Deposit for 36 months at the agreed interest rate of 1.25%. The Performance Bond is a requirement under the Lease Operatorship Agreement ("LOAs") as Trinity is the Operator of the FZ 2, WD 2, WD 5/6, WD 13 and WD 14 fields.

### 16 Deferred Income Taxation

#### Group

The analysis of DTA is as follows:

	2020 \$'000	2019 \$'000
<b>DTA:</b>		
-DTA to be recovered in more than 12 months	<b>(4,447)</b>	(5,127)
-DTA to be recovered in less than 12 months	<b>(1,550)</b>	(4,235)
<b>DTL:</b>		
-DTL to be settled in more than 12 months	<b>2,611</b>	4,188
<b>Net DTA</b>	<b>(3,386)</b>	(5,174)

The movement on the deferred income tax is as follows:

	2020 \$'000	2019 \$'000
At beginning of year	<b>(5,174)</b>	(375)
Movement for the year	<b>1,879</b>	(4,725)
Unwinding of deferred tax on fair value uplift	<b>(91)</b>	(74)
<b>Net DTA</b>	<b>(3,386)</b>	(5,174)

The deferred tax balances are analysed below:

	2018 \$'000	Movement \$'000	2019 \$'000	Movement \$'000	2020 \$'000
<b>DTA</b>					
Acquisition	(33,436)	-	(33,436)	-	<b>(33,436)</b>
Tax losses recognised	(36,087)	(3,389)	(39,476)	-	<b>(39,476)</b>
Tax losses derecognised	63,550	-	63,550	3,365	<b>66,915</b>
	(5,973)	(3,389)	(9,362)	3,365	<b>(5,997)</b>

	2018 \$'000	Movement \$'000	2019 \$'000	Movement \$'000	2020 \$'000
<b>DTL</b>					
Accelerated tax depreciation and non-current asset impairment	(16,043)	(1,337)	(17,380)	(1,487)	<b>(18,867)</b>
Acquisitions	19,580	-	19,580	-	<b>19,580</b>
Fair value uplift	2,061	(73)	1,988	(90)	<b>1,898</b>
	5,598	(1,410)	4,188	(1,577)	<b>2,611</b>

DTA are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits are probable. Deferred tax assets of \$3.4 million have been derecognised (2019: \$3.4 million was recognised) based on future taxable profits. The Group has unrecognised deferred tax asset amounting to \$102.2 million which have no expiry date.

DTL have decreased by \$1.6 million as the temporary difference between the accounting values of property, plant and equipment and intangible assets and tax values decreased compared to 2019 year-end.

- DTA and DTL can only be offset in the Consolidated Statement of Financial Position if an entity has a legal right to settle current tax amounts on a net basis and Deferred Tax amounts are levied by the same tax authority (as per IAS 12).
- Tax losses – At the end of 2020 the Group had gross tax losses carried forward of \$237.2 million (2019: \$240.2 million) represented by corporate tax losses in the UK of \$16.6 million (2019: \$16.3 million) and PPT and Corporate tax losses in Trinidad and Tobago of \$220.6 million (2019: \$223.9 million). In Trinidad and Tobago PPT losses and corporate tax losses may be carried forward indefinitely to reduce the taxes in future years. As of 1 January 2020, PPT losses can only be utilised to shelter a maximum of 75% of PPT per annum.

## 17 Inventories

	Crude oil \$'000	Materials and supplies \$'000	Total \$'000
At 1 January 2020	89	5,054	5,143
Net inventory movement	(22)	146	124
<b>At 31 December 2020</b>	<b>67</b>	<b>5,200</b>	<b>5,267</b>
At 1 January 2019	89	3,649	3,738
Impairment	-	(49)	(49)
Net inventory movement	-	1,454	1,454
At 31 December 2019	89	5,054	5,143

### (i) Assigning costs to inventories

The costs of individual items of inventory within the category material and supplies are determined using weighted average costs. The cost assigned for crude oil is based on the lower of cost and net realisable value. There were no obsolete inventories written off during the year.

## Notes to the Consolidated Financial Statements (continued)

### 18 Trade and Other Receivables

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Due within 1 year				
Amounts due from related parties (Note 28 (d))	-	-	<b>4,418</b>	3,722
Trade receivables	<b>3,357</b>	5,307	-	-
Less: provision for impairment of trade and intercompany receivables	<b>(6)</b>	(225)	<b>(100)</b>	(91)
Trade receivables/Amounts due from related parties – net	<b>3,351</b>	5,082	<b>4,318</b>	3,631
Prepayments	<b>862</b>	859	<b>149</b>	147
VAT recoverable	<b>2,467</b>	2,932	<b>125</b>	71
Other receivables	<b>1,413</b>	847	<b>150</b>	-
Less: provision for impairment of other receivables	<b>(854)</b>	(383)	-	-
	<b>7,239</b>	9,337	<b>4,742</b>	3,849

All trade receivables are with the Group's only customer, Heritage. Ageing analysis of these trade receivables as at 31 December 2020 is as follows:

	2020 \$'000	2019 \$'000
Up to 30 days	<b>3,217</b>	4,491
>60 days	-	104
>180 days	<b>140</b>	712
	<b>3,357</b>	5,307

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
USD	<b>4,567</b>	4,200	<b>4,589</b>	3,690
GBP	<b>191</b>	159	<b>252</b>	159
TTD	<b>2,481</b>	4,978	-	-
	<b>7,239</b>	9,337	<b>4,841</b>	3,849

The maximum exposure to credit risk at the reporting date is the value of each class of receivable as shown above. The Group does not hold any collateral as security.

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about the counterparty default rates:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Counterparties without external credit rating:				
Existing customers with no defaults in the past	<b>7,239</b>	9,337	-	-

#### Trade receivables

Counterparties without external credit rating:

Existing customers with no defaults in the past

	<b>7,239</b>	9,337	-	-
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The fair value of trade and other receivables approximate their carrying amounts.

The Group applies the IFRS 9 simplified model for measuring expected credit losses ("ECL") using a lifetime expected loss provision for trade and other receivables. The expected loss rates are based on the Group's historical credit losses experienced over a period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on key macroeconomic factors affecting the Group's customer including GDP, foreign exchange rates, WTI crude oil price and inflation rates. In calculating an ECL, two default loss rates are established; default loss rate 1 which is calculated through the ageing profiles of sales, and default loss rate 2 which is default loss rate 1 adjusted based on forward looking information.

Having reviewed past payment performance combined with the credit rating of Heritage (and its predecessor, Petrotrin), a Provision matrix was completed to calculate a potential impairment on the receivable balances. Trade receivables that are less than six months past due are not considered impaired and at 31 December 2020, trade receivables of \$3.4 million (2019: \$4.8 million) were therefore considered to be fully performing.

Although all Heritage revenue payments have been received on a timely basis, the Joint Interest billings has not followed that trend. For other receivables, which relate to Joint Interest Billing receivable amounts from Heritage, an ECL of \$0.9 million (2019: \$0.4 million) was therefore calculated.

Petrotrin has long outstanding balances and Heritage on Joint Interest billings which give rise to a potential impairment. Consequently, a provision was calculated.

Although all Heritage revenue payments have been received on a timely basis, the Joint Interest billings has not. For other receivables, which relate to Joint Interest Billing receivable amounts from Heritage, an ECL of \$0.9 million (2019: \$0.4 million) was therefore calculated.

At the end of 2020 a total of \$0.1 million was outstanding from Petrotrin (2019: \$0.5 million), with \$0.4 million of the outstanding amounts having been received during 2020. An ECL of \$0.0 million was applied to the outstanding \$0.1 million receivables amount due from Petrotrin.

Amounts due from related parties are repayable on demand and entities have the ability to repay if called immediately.

## 19 Derivative financial assets

The following table compares the carrying amounts and fair values of the Group's financial assets and financial liabilities as at 31 December 2020.

	<b>As at 31 December 2020 \$'000</b>	As at 31 December 2019 \$'000
Derivative asset	<b>266</b>	85
<b>Total</b>	<b>266</b>	85

The group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Trade receivables.
- Trade payables.
- Cash and cash equivalents.

### Fair Value Hierarchy

The level in the fair value hierarchy within which the derivative financial asset is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

The derivative financial assets are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following level:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## Notes to the Consolidated Financial Statements (continued)

Level 2 recurring fair value measurements:

<b>As at 31 December 2020</b>	\$'000
Opening balance	85
Derivative instrument purchased	946
Derivative asset expensed	(765)
<b>Closing balance</b>	<b>266</b>

On 31 December 2020 the crude derivative contracts were valued using a mark to market report. The report provides forward looking value on the existing crude derivatives held at 31 December 2020.

The net gain in fair value is recognised in the Consolidated Statement of Comprehensive Income during the year:

	<b>31 December 2020 \$'000</b>	31 December 2019 \$'000
Derivative expense	<b>(765)</b>	(126)
Derivative income	<b>2,333</b>	48
<b>Total income/(expense)</b>	<b>1,568</b>	(78)
Net derivative income/(expense)	<b>1,302</b>	(78)
FV of derivative financial instruments	<b>266</b>	-
	<b>1,568</b>	(78)

Further details of the derivative financial instruments outstanding at 31 December 2020, and additional derivative financial instruments purchased since the year end, are set out in Note 34 below.

## 20 Cash and Cash Equivalents

	<b>Group</b>		<b>Company</b>	
	<b>2020 \$'000</b>	2019 \$'000	<b>2020 \$'000</b>	2019 \$'000
Short term investment	<b>4,055</b>	5,081	<b>4,055</b>	5,081
Cash and cash equivalents	<b>16,182</b>	8,729	<b>261</b>	205
	<b>20,237</b>	13,810	<b>4,317</b>	5,286

Cash and Cash equivalents disclosed above and in the Consolidated Statement of Cash Flows exclude restricted cash and are available for general use by the Group.



## 21 Share Capital and Share Premium

### Group

Year ended 31 December 2020	Number of shares	Share capital \$'000	Share premium \$'000	Total \$'000
As at 1 January and 31 December 2019	478,489,232	97,692	139,879	237,571
As at 1 January 2020	478,849,232	97,692	139,879	237,571
LTIPs exercised*	4,745,056	-	-	-
<b>As at 31 December 2020</b>	<b>483,594,288</b>	<b>97,692</b>	<b>139,879</b>	<b>237,571</b>

- The Company does not have a limited amount of authorised share capital.
- Within the number of shares shown above there are 94,799,986 deferred shares of USD 0.99 each totalling \$93.9 million of share capital. The deferred shares have no voting or dividend rights and on a return of capital on a winding up have no valuable economic rights.
- The remaining 388,794,302 Ordinary shares in issue as at 31 December 2020 have a par value of USD 0.01 per share.

Year ended 31 December 2020	Number of shares	Ordinary shares \$'000	Deferred shares \$'000	Share premium \$'000	Total \$'000
At 1 January 2020	478,849,232	3,840	93,852	139,879	237,571
LTIPs exercised	4,745,056	-	-	-	-
<b>At 31 December 2020</b>	<b>483,594,288</b>	<b>3,840</b>	<b>93,852</b>	<b>139,879</b>	<b>237,571</b>

Note: \$:GBP rate 1.312:1

\* LTIPs exercised - 4,745,056 LTIPs were exercised during the year ended 31 December 2020. These shares were issued for nil consideration and therefore for less than the nominal value of the shares which was in contravention of s580 of the UK Companies Act. Following the 31 December 2020 year end the Directors have sought legal advice with regards to this breach of UK company law and are in the process of implementing a remedy. Given remedial action can be taken, the Directors do not consider this to be a material breach of UK company law. The shares have been issued and therefore the number of shares in issue has been appropriately reflected in the table above. There is no corresponding increase to the value of share capital as they were issued below nominal value.

## 22 Share Based Payment Reserve

The share-based payments reserve is used to recognise:

- The grant date fair value of options issued to employees but not exercised;
- The grant date fair value of share awards issued to employees;
- The grant date fair value of deferred share awards granted to employees but not yet vested; and
- The issue of shares held by the Employee Share Trust to employees.

During 2020 the Group had in place share-based payment arrangements for its employees and Executive Directors, the LTIP. The Share Option Plan referenced below is fully vested and expensed. The current year charge for share based payments are solely in relation to the LTIP arrangements shown below, with further details of each scheme following:

	2020 \$'000	2019 \$'000
At 1 January	<b>14,328</b>	13,290
Share based payment expense:		
LTIP exercised	<b>(527)</b>	-
LTIP expense	<b>963</b>	1,038
<b>At 31 December</b>	<b>14,764</b>	14,328

## Notes to the Consolidated Financial Statements (continued)

### Share Option Plan

Share Options were granted to Executive Directors and to selected employees. The exercise price of the granted option was equal to Management's best estimate of the fair value of the shares at the time of the award of the options. The Group has no legal or constructive obligation to repurchase or settle the options in cash. These Share Options were fully vested in 2015 and 2016 with nil exercised and expiry dates in 2022 and 2023. The table below gives details:

Grant-Vest	Expiry Date	Exercise price per Share Options	2020	Exercise price per Share Options	2019
			Number of Options		Number of Share Options
2012-2015	2022	<b>GBP0.86</b>	<b>1,685,540</b>	GBP0.86	1,685,540
2013-2016	2023	<b>GBP1.20</b>	<b>289,544</b>	GBP1.20	289,544
			<b>1,975,084</b>		1,975,084

The inputs into the Black-Scholes model for options granted in prior periods were as follows:

Grant date	29 May 2013	14 February 2013
Share price	GBP 1.19	GBP 1.20
Average Exercise price	GBP 1.20	GBP 0.89
Expected volatility	55%	78%
Risk-free rates	4.5%	4.5%
Expected dividend yields	0%	0%
Vesting period	3 years	3 years

### LTIP

LTIP awards are designed to provide long-term incentives for the EMT to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in 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.

### 2017 LTIPs

One off LTIP awards were granted in August 2017 over 25,415,998 ordinary shares and in June 2020 over a further 1,422,961 ordinary shares (the "2017 LTIP Awards"). The 2017 LTIP awards, which ordinarily vest on 30 June 2022, partially vested on 30 June 2020 and may vest in full or in part on 30 June 2021, subject to meeting performance targets relating to the following:

- In respect of 70% of the award, the Company's share price growth from the 2017 placing price of 4.98 pence per share. If the three month volume-weighted price ("VWAP") at the testing date is 35 pence or more per share, this part of the award will vest in full. If the VWAP at the testing date is 4.98 pence per share or less, this part of the award will not vest at all. If the VWAP at the testing date is between 4.98 pence and 35 pence per share, this part of the award will vest on a pro-rated straight-line basis;
- In respect of 20% of the award, repayment of the amount due to the BIR in accordance with the terms of the Creditors Proposal approved in 2017. The final payment occurred in 2018; and
- In respect of 10% of the award, redemption of all the Convertible Loan Notes ("CLN") issued in January 2017 before the second anniversary of their issue. All of the CLNs were redeemed in 2018.

The total fair value of the 2017 LTIP Award is \$2.6 million and will be expensed over the vesting period with the full charge pro-rated over the period up to 30 June 2022. However, the LTIP Award may vest in full or in part on 30 June 2020 or 2021 with the appropriate charge being taken over the vesting period. The fair value at grant date is independently determined using an adjusted form of the Black Scholes Model which includes a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

The model inputs for LTIP Awards granted in 2017:

Grant Date	25 August 2017	25 June 2020
Share price at grant date	GBP 10.75	GBP 7.90
Exercise price	GBP 0.00	GBP 0.00
Expected volatility	73.3%	84.9%
Risk-free interest rates	0.44%	(0.07%)
Expected dividend yields	0%	0%
Vesting period 1	30 June 2020	-
Vesting period 2	30 June 2021	-
Vesting period 3	30 June 2022	30 June 2022

### 2019 LTIPs

In January 2019 Options over 2,824,000 ordinary shares and in May 2019 Options over 3,832,824 ordinary shares were granted under the LTIP in accordance with the policy announced to the market on 25 August 2017. The LTIP awards are designed to provide long-term incentives for the EMT to deliver long-term shareholder returns. Under the plan, participants were granted options which only vest if certain performance standards are met. Participation in 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.

The January 2019 LTIP awards will vest on 1 January 2021, while the May 2019 awards will vest on 2 January 2022 subject to meeting the performance criteria set out in the table below and continued employment with the Company. The Options are exercisable at nil cost by the participants.

Performance targets	January 2019 LTIPs	May 2019 LTIPs
Below the Median	None of the award will vest	None of the award will vest
Median (50th percentile)	30% of the maximum award will vest	30% of the maximum award will vest
Between Median and Upper Quartile	Straight-Line basis between these points	Straight-Line basis between these points
Upper Quartile (75%) and above	100% of the maximum award will vest	100% of the maximum award will vest

The total fair value at grant date of the 2019 LTIP awards was \$0.9 million and this will be expensed over the vesting period with the full charge pro-rated over the vesting period. The 2019 LTIP Awards are subject to the achievement of relative Total Shareholder Return ("TSR") performance targets measured over a 3-year performance period ending on 1 January 2021 and 31 December 2021 respectively.

The fair value at grant date was determined using a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies. The model inputs for the 2019 LTIP awards granted during the period ended 31 December 2019 included:

	January 2019 LTIPs	May 2019 LTIPs
Grant Dates	2 January 2019	9 May 2019
Share price at grant dates	GBP16.77	GBP14.66
Exercise price	GBP0.00	GBP0.00
Expected volatility	113.9%	113.9%
Risk-free interest rates	0.73%	0.73%
Expected dividend yields	0%	0%
Vesting period	1 January 2021	2 January 2022

### 2020 LTIPs

On 25 June 2020 and 30 October 2020 Options over a total of 3,815,856 ordinary shares and 1,000,000 ordinary shares respectively were granted under the LTIP in accordance with the policy announced to the market on 25 August 2017 to members of the EMT in respect of the performance of the Company in the financial year ended 31 December 2019. The LTIP awards are designed to provide long-term incentives for the EMT to deliver long-term shareholder returns. Under the plan, participants were granted options which only vest if certain performance standards are met. Participation in 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.

## Notes to the Consolidated Financial Statements (continued)

These LTIP awards will vest on 2 January 2023, subject to meeting the performance criteria set and continued employment in the Company. The Options are exercisable at nil cost by the participants.

The LTIP Awards are subject to the achievement of relative Total Shareholder Return ("TSR") performance targets measured over a three-year performance period ending on 31 December 2022. The amounts stated above represent the maximum possible opportunity.

TSR is the increase in share price plus the value of any dividends paid over a period of time and captures the full return shareholders see on an investment. Relative TSR is the comparison of these returns against peer companies over a set period of time. For Trinity, the performance will be assessed over a three year period.

The Relative TSR ranking will be determined by calculating the three month average TSR to the end of the performance period and dividing this by the three month average TSR to the beginning of the performance period for all companies in the agreed comparator group. Companies will be ranked on this basis with the highest performing company ranked first. The share price used to calculate the start of the TSR calculation in respect of these awards is based on the three-month average TSR leading into 31 December 2019, being 9.683p.

The amount of the award which will vest at the end of the three year period is based on performance against a comparator group. Threshold vesting occurs when Trinity is ranked at median against the comparator group and maximum vesting occurs when Trinity is ranked at upper quartile (or above). The table below shows the level of vesting at threshold and maximum:

Vesting occurs on a straight line basis between threshold and maximum.

Performance	Vesting
Below the Median	None of the award will vest.
Median (50th percentile)	30% of the maximum award will vest.
Between Median and Upper Quartile	Straight Line basis between these points.
Upper Quartile (75%)	100% of the maximum award will vest.
Above the Upper Quartile	100% of the maximum award will vest.

The total fair value at grant date of the 2020 LTIP awards was \$0.4 million and this will be pro-rated and expensed over the vesting period. The fair value at grant date was determined using a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies. The model inputs for the 2020 LTIP awards granted during the period included:

	June 2020 LTIPs	October 2020 LTIPs
Grant Dates	25 June 2020	30 October 2020
Share price at grant dates	GBP7.90	GBP7.70
Exercise price	GBP0.00	GBP0.00
Expected volatility	84.9%	84.9%
Risk-free interest rates	(0.07%)	(0.07%)
Expected dividend yields	0%	0%
Vesting dates	2 January 2023	2 January 2023

Movements in the number of LTIPs outstanding and their related weighted average exercise prices are as follows:

	2020 Average exercise price per Share Option	Number of Options	2019 Average exercise price per Share Option	Number of Options
At 1 January	GBP 0.00	31,789,818	GBP 0.00	25,415,998
Forfeited	GBP 0.00	(1,720,592)	GBP 0.00	(283,004)
Granted <sup>1</sup>	GBP 0.00	6,238,817	GBP 0.00	6,656,824
Exercised <sup>2</sup>	GBP 0.00	(4,745,056)	GBP 0.00	-
At 31 December	GBP 0.00	31,562,987	GBP 0.00	31,789,818

1 Weighted average fair value of LTIPs granted GBP 0.07.

2 Weighted average share price at the date of exercise GBP 0.08.

LTIPs outstanding at the end of the year have the following expiry date and exercise prices:

Grant-Vest	Expiry date	Exercise price	2020	2019
24/8/2017 – 30/6/2022	24/8/2027	GBP 0.00	<b>21,030,319</b>	25,415,998
2/1/2019 – 1/1/2021	1/1/2023	GBP 0.00	<b>2,525,101</b>	2,824,000
9/5/2019 – 2/1/2022	2/1/2024	GBP 0.00	<b>3,191,712</b>	3,549,820
25/6/2020 – 2/1/2023	2/1/2025	GBP 0.00	<b>4,815,856</b>	-

## 23 Merger and Reverse Acquisition Reserves

	Reverse Acquisition Reserve \$'000	Merger Reserve \$'000	Total \$'000
At 1 January 2020	(89,268)	75,467	(13,801)
Movement	-	-	-
Translation differences	-	-	-
<b>At 31 December 2020</b>	<b>(89,268)</b>	<b>75,467</b>	<b>(13,801)</b>
At 1 January 2019	(89,268)	75,467	(13,801)
Movement	-	-	-
Translation differences	-	-	-
<b>At 31 December 2019</b>	<b>(89,268)</b>	<b>75,467</b>	<b>(13,801)</b>

The issue of shares by the Company as part of the reverse acquisition (February 2013) met the criteria for merger relief such that no share premium was recorded. As allowed under the UK Companies Act 2006 and required by IAS 27 ('Consolidated and separate financial statements'), a merger reserve equal to the difference between the fair value of the shares acquired by the Company and the aggregation of the nominal value of the shares issued by the Company has been recorded.

## 24 Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure used by the Group to measure business performance. It is calculated as Operating Profit before SPT, PT, Impairment and Exceptional Items for the period, adjusted for DD&A, ILFA, SOE, and FX Gain/(Loss).

The Group presents Adjusted EBITDA as it is used in assessing the Group's growth and operational efficiencies as it illustrates the underlying performance of the Group's business by excluding items not considered by Management to reflect the underlying operations of the Group.

Adjusted EBITDA is calculated as follows:

	<b>2020</b>	2019
	<b>\$'000</b>	\$'000
Operating Profit Before SPT, PT, Impairment and Exceptional Items	<b>2,965</b>	10,271
DD&A (note 11 – 13)	<b>8,174</b>	9,772
ILFA (note 18)	<b>252</b>	608
SOE (note 22)	<b>963</b>	1,038
FX (loss)/gain	<b>(7)</b>	76
<b>Adjusted EBITDA</b>	<b>12,347</b>	21,765
	<b>\$'000</b>	\$'000
Weighted average ordinary shares outstanding – basic	<b>386,233</b>	384,049
Weighted average ordinary shares outstanding – diluted	<b>417,796</b>	415,840
	<b>\$</b>	<b>\$</b>
Adjusted EBITDA per share – basic (note 9)	<b>0.032</b>	0.057
Adjusted EBITDA per share – diluted (note 9)	<b>0.030</b>	0.052

## Notes to the Consolidated Financial Statements (continued)

Adjusted EBITDA after the impact of SPT & PT is calculated as follows:

	2020 \$'000	2019 \$'000
Adjusted EBITDA	<b>12,347</b>	21,765
SPT	<b>153</b>	(7,413)
PT	<b>(532)</b>	(492)
Adjusted EBITDA After SPT & PT	<b>11,968</b>	13,860
	'000	'000
Weighted average ordinary shares outstanding – basic	<b>386,233</b>	384,049
Weighted average ordinary shares outstanding – diluted	<b>417,796</b>	415,840
	\$	\$
Adjusted EBITDA After SPT & PT per share – basic	<b>0.031</b>	0.036
Adjusted EBITDA After SPT & PT per share – diluted	<b>0.029</b>	0.033

## 25 Provision for Other Liabilities

### (a) Non-current:

	Decommissioning provision \$'000
<b>Year ended 31 December 2020</b>	
Opening amount as at 1 January 2020	44,330
Unwinding of discount (Note 7)	1,221
Revision to estimates	(152)
Translation differences	6
<b>Closing balance at 31 December 2020</b>	<b>45,405</b>
<b>Year ended 31 December 2019</b>	
Opening amount as at 1 January 2019	41,802
Unwinding of discount (Note 7)	1,198
Increase in provision for new wells	755
Revision to estimates	380
Decommissioning contribution	195
<b>Closing balance at 31 December 2019</b>	<b>44,330</b>

### Decommissioning cost

The Group operates Oil fields and this cost represents an estimate of the amounts required for abandonment of the Group's wells, platforms, gathering station and pipeline infrastructures. The amounts are calculated based on the provisions of existing contractual agreements with Heritage and MEEI. Furthermore, liabilities for decommissioning costs are recognised when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations.

The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding item of property, plant and equipment of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the facility or item of plant. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding property, plant and equipment. Some of the key assumptions made in the present value decommissioning calculation include the following:

- Core inflation rate – 2.00% (2019: 2.00%).
- Risk free rate – 2.42% - 3.17% (2019: 2.13% - 3.07%).
- Estimated market value/decommissioning cost.
- Estimated life of each asset.

See Note 3(b): Critical Accounting Estimates and Assumptions for the rates used and sensitivity analysis.

**(b) Current:**

	Litigation claims \$'000	Closure of Pits \$'000	Total \$'000
<b>Year ended 31 December 2020</b>			
Opening amount as at 1 January 2020	46	472	518
Decrease in provision	-	(2)	(2)
<b>Closing balance at 31 December 2020</b>	<b>46</b>	<b>470</b>	<b>516</b>
<b>Year ended 31 December 2019</b>			
Opening amount as at 1 January 2019	115	232	347
Decrease in provision	(69)	-	(69)
Increase in provision	-	240	240
<b>Closing balance at 31 December 2019</b>	<b>46</b>	<b>472</b>	<b>518</b>

**Litigation claims**

In 2020 there were no litigation settlements.

**Closure of Pits**

In 2020 there was a decrease in the provision of \$0.0 million relating to the revision to remedy and closure of pits associated with drilling new onshore wells. It is an environmental regulatory requirement set by the EMA that all open drill pits for onshore drilling must be closed after sufficient testing has deemed it safe to close the pit. Testing period can last up to or over a year depending on the testing criteria.

**26 Trade and Other Payables**

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Current</b>				
Trade payables	<b>2,024</b>	2,123	<b>130</b>	87
Accruals	<b>3,793</b>	5,039	<b>351</b>	421
Other payables	<b>471</b>	619	-	-
SPT & PT	<b>1,515</b>	2,605	-	-
	<b>7,803</b>	10,386	<b>481</b>	508

## Notes to the Consolidated Financial Statements (continued)

### 27 Bank overdraft

	31 December 2020 \$'000	31 December 2019 \$'000
Bank Overdraft	2,700	-
	<b>2,700</b>	-

During the year, an on demand operating (overdraft) line of \$2.7 million was entered with FirstCaribbean International Bank (Trinidad & Tobago) Limited ("CIBC"). Details of the overdraft facility:

- Description: Demand revolving credit.
- Interest Rate: United States dollar prime rate minus 6.30 % per annum, effective rate 4.95%.
- Repayment: Upon demand at CIBC's discretion.
- Debenture: Floating charge debenture over inventory and Trade Receivables only.
- Covenant: Current Ratio not less than 1.25:1.

On 2 April 2020 the Company drew down the \$2.7 million in full.

### 28 Related Party Transactions

#### Group

The following transactions were carried out with the Group's subsidiaries and related parties. These transactions comprise sales and purchases of goods and services and funding provided in the ordinary course of business during the year. The following are the major transactions and balances with related parties:

#### (a) Transfers of funds from related parties

	2020 \$'000	Company 2019 \$'000
<b>Company subsidiaries:</b>		
Trinity Exploration and Production Services Limited	-	14
Trinity Exploration & Production (UK) Limited	10	4
Trinity Exploration and Production (Galeota) Limited	26	120
Bayfield Energy Limited	61	29
Oilbelt Services Limited	170	-
Trinity Exploration and Production (Trinidad and Tobago) Limited	-	4
Galeota Oilfield Services Limited	3	3
Trinity Exploration and Production Services (UK) Limited	899	-
	<b>1,169</b>	174

#### (b) Transfer of funds to related parties

	2020 \$'000	Company 2019 \$'000
<b>Company subsidiaries:</b>		
Trinity Exploration and Production Services Limited	(473)	-
Oilbelt Services Limited	-	(338)
Trinity Exploration and Production Services (UK) Limited	-	(2,744)
	<b>(473)</b>	(3,082)

Related party transactions comprise of the transfer of funds to and from related parties which are payable on demand. Positive balances indicate increase in funds transferred to the entities, while negative balances indicate repayment to entities.



- (c) Key Management and Directors' compensation: Key Management includes Board (Executive & Non-Executive). The compensation paid or payable to Key Management for employee services is shown below:

	2020 \$'000	Group 2019 \$'000
Salaries and short-term employee benefits	1,219	1,305
Post-employment benefits	26	41
Share-based payment expense <sup>1</sup> (Note 22)	469	697
	<b>1,714</b>	<b>2,043</b>

1. During 2020 LTIPs with a market value of \$0.4 million were exercised by Key Management, refer to Directors remuneration report.

- (d) Year-end balances arising from transfer to and from related parties

	2020 \$'000	Company 2019 \$'000
Receivables from related parties:		
Trinity Exploration and Production Services Limited	408	881
Trinity Exploration & Production (UK) Limited	28	18
Trinity Exploration and Production (Galeota) Limited	159	133
Bayfield Energy Limited	104	43
Oilbelt Services Limited	1,029	859
Galeota Oilfield Services Limited	4	4
Trinity Exploration and Production (Trinidad and Tobago) Limited	414	411
Trinity Exploration and Production Services (UK) Limited	2,272	1,373
<b>Total intercompany receivables (Note 18)</b>	<b>4,418</b>	<b>3,722</b>
Less: provision for impairment of intercompany receivables	(100)	(91)
<b>Closing intercompany receivables (Note 18)</b>	<b>4,318</b>	<b>3,631</b>

#### Company

- The receivables from related parties arise mainly from inter-group recharges. The receivables are unsecured and bear no interest. An ECL provision was calculated \$0.1 million (2019: \$0.1 million).

## 29 Taxation Payable

	2020 \$'000	Group 2019 \$'000
<b>Taxation payable</b>		
PPT	144	-
UL	58	80
	<b>202</b>	<b>80</b>

Trinidad and Tobago statutory petroleum profit tax ("PPT") and unemployment levy ("UL") are a combined rate of 55% of taxable income. PPT has a tax charge of 50%, while UL has a tax charge of 5% on taxable profits.

## Notes to the Consolidated Financial Statements (continued)

### 30 Financial Instruments by Category

At 31 December 2020 and 2019, the Group held the following financial assets at amortised cost:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade and other receivables – current*	3,910	5,546	150	–
Abandonment fund – non current	3,490	3,378	–	–
Intercompany	–	–	4,318	3,631
Cash and Cash equivalents	20,237	13,810	4,317	5,286
	<b>27,637</b>	<b>22,734</b>	<b>8,785</b>	<b>8,917</b>

Note (\*): Excludes prepayments and VAT recoverable.

At 31 December 2020 and 2019, the Group held the following financial liabilities at amortised cost:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Accounts payable and accruals	7,803	10,386	481	508
Bank overdraft	2,700	–	–	–
	<b>10,503</b>	<b>10,386</b>	<b>481</b>	<b>508</b>

At 31 December 2020 and 2019, the Group held the following financial asset at fair value through profit or loss:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Derivative financial instrument	266	85	266	85
	<b>266</b>	<b>85</b>	<b>266</b>	<b>85</b>

### 31 Commitments and Contingencies

#### a) Commitments

There are commitments for decommissioning costs of the wells and facilities under the Group's agreements with Heritage, which have been provided for as described in Note 25: Provision for other liabilities.

#### b) Contingent Liabilities

- i) The East Coast Galeota, West Coast Point Ligoure Guapo, Brighton Marine licences and the Farm-Out Agreement for the Tabaquite Block (held by Coastline International Inc.) has expired. There may be additional liabilities and commitments arising when a new agreement is finalised, but these cannot be presently quantified until a new agreement is available.
- ii) Parent Company Guarantee. A Letter of Guarantee was established in substance over the PGB Block where a subsidiary of Trinity is obliged to carry out a Minimum Work Programme to the value of \$8.4 million. The guarantee shall be reduced at the end of the twelve month period contingent upon specific clause within the Letter of Guarantee. The clause implied that Guarantor may reduce the Guarantee Sum available for payment to the MEEI under the Letter of Guarantee on an obligation by obligation basis provided PGB delivers to the Guarantor a certificate duly issued and signed by the MEEI. The PGB licence has expired (see note 31 (b) (i)).
- iii) The Group is party to various claims and actions. Management has considered the matters and where appropriate has obtained external legal advice. No material additional liabilities are expected to arise in connection with these matters, other than those already provided for in these financial statements.
- iv) The Group's Lease Operatorship Assets ("LOA") for WD 5/6, WD 2, WD 13 and WD 14 blocks expired on 31 December 2020, and are in final stages of being renewed with Heritage as of the date of this report and following their renewal a new performance bond will be put in place.

## 32 Employee Costs

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Employee costs for the Group during the year</b>				
Wages and salaries	6,266	6,393	910	910
Other pension costs	358	342	-	-
Share based payment expense (Note 22)	963	1,038	248	221
	<b>7,662</b>	<b>7,773</b>	<b>1,158</b>	<b>1,131</b>

### Average monthly number of people

(including Executive and Non-Executive Directors') employed by the Group

	Group		Company	
	2020 Number	2019 Number	2020 Number	2019 Number
Executive and Non-Executive Directors	6	6	6	6
Administrative staff	85	78	-	-
Operational staff	131	130	-	-
	<b>222</b>	<b>214</b>	<b>6</b>	<b>6</b>

## 33 Restatement

During 2020, a presentation error was identified in the prior year Cash flow Statement whereby the Cashflow from investing activities included non-cash accruals and these were not adjusted from the working capital movement (Trade and other payables). As a result, the cash inflow from operations and cashflow outflow from investing activities were overstated in the prior year financial statements by equivalent amounts. To correct the error, a reclassification was done as at 31 December 2019, resulting in a \$1.2 million decrease in net cash inflows from operations and a \$1.2 million decrease in net cash outflows from investing activities.

There is no profit or net asset impact as a result of the prior year restatement.

The adjustment is reflected in the statement below:

	2019 \$'000 As previously reported	Impact of Prior period Adjustment \$'000	2019 \$'000 Restated
Operating Activities	13,113		13,113
<b>Changes In Working Capital</b>			
Inventories	(1,454)		(1,454)
Trade and other receivables	3,638		3,638
Trade and other payables	1,797	(1,192)	605
	17,094	(1,192)	15,902
Tax paid	(316)		(316)
<b>Investing Activities</b>			
Purchase of Exploration and Evaluation ("E&E") assets	(476)	56	(420)
Purchase of computer software	(99)		(99)
Purchase of property, plant and equipment	(12,156)	1,136	(11,020)
<b>Net Cash Outflow From Investing Activities</b>	<b>(12,731)</b>	<b>1,192</b>	<b>(11,539)</b>
<b>Net Cash (Outflow)/Inflow From Financing Activities</b>	<b>(438)</b>		<b>(438)</b>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>3,609</b>		<b>3,609</b>
<b>At end of year</b>	<b>13,810</b>		<b>13,810</b>

## Notes to the Consolidated Financial Statements (continued)

## 34 Events after the Reporting Year

## 1. Derivative Financial Instruments

In addition to the crude oil derivatives put in place during 2020, the Company has put in place a number of crude oil derivative financial instruments post the year end to protect a portion of its revenue against fluctuation in oil prices. The crude oil derivative financial instruments currently in place are as follows:

Type of Derivatives	Index	Sell Put	Buy Put	Sell Call	Production	Effective Date	Expiry Date	Execution Date	Premium USD MM
		USD/bbl	USD/bbl		USD/bbl	Monthly Barrels			
Put Spread	WTI	20.0	30.0	-	15,000	01-Jan-21	31-Dec-21	21-Jul-20	0.36
Put Spread	WTI	20.0	30.0	-	15,000	01-Jan-21	31-Dec-21	17-Nov-20	0.25
Put Spread	Dated Brent	32.5	42.5	-	15,000	01-Jan-21	30-Jun-21	25-Nov-20	0.19
2-Way Cost Collar	ICE Brent		42.5	64.4	15,000	01-Jul-21	31-Dec-21	5-Feb-21	-
3-Way Cost Collar	ICE Brent	50.0	60.0	66.9	10,000	01-Jan-22	30-Jun-22	4-Mar-21	-

## 2. CIBC overdraft facility

Trinity fully drew down its \$2.7 million overdraft credit facility with CIBC effective 2 April 2020 as part of its strategy of maximising available cash during the short-medium term which currently remains unpaid. This facility was further up stamped on 5 January 2021 by \$2.3 million to a total of \$5.0 million for which this portion remains fully undrawn to date.

The facility is a revolving overdraft credit available to Trinity which is repayable upon demand to CIBC. Interest is payable monthly at an interest rate US Prime Rate (currently 9%) minus 4.05% per annum with present effective rate 4.95% with a floor rate of 3.95%.

## 3. Fiscal Reforms

The revised threshold for Supplemental Petroleum Tax ("SPT") for small onshore producers has now been implemented via The Finance Act No. 30 of 2020 which came into effect on 1 January 2021. As a result, the threshold at which SPT would be due for individual producers producing less than 2,000 barrels of crude oil per day has now increased from \$50.0 /bbl to \$75.0/bbl for the financial years 2021 and 2022.

Trinity expects to be exempt from SPT across all of its onshore licences below \$75.0/bbl, which will have a significant positive impact on future cash flows. Based on current onshore production levels, Trinity estimates that SPT of c. \$3.5 million per annum or more would previously have been payable if realisations were above \$50.01/bbl (although this could be partially mitigated by the Investment Tax Credit ("ITC") shelter). The confirmation of these reforms therefore represents a considerable boost to potential cash generation from Trinity's onshore licences should realisations average above \$50.01/bbl for any calendar quarter during 2021 and 2022.

## 4. Acquisition of onshore block PS-4

On 4 May 2021, Trinity announced that it had entered into a sale and purchase agreement with Moonsie Oil Company Limited to acquire an operated 100% interest in the PS-4 onshore block for a headline cash consideration of \$3.5 million, to be funded from the Group's existing cash resources. The Group anticipates that the transaction will complete towards the end of Q2 2021.

## Glossary

Abbreviation	Meaning
<b>2P</b>	Proved and probable resources
<b>2C</b>	Best estimate of contingent resources
<b>Adjusted EBITDA</b>	Operating Profit before Taxes for the period, adjusted for depreciation, depletion & amortisation ("DD&A"), non-cash Share Option Expenses ("SOE"), Impairment losses on Financial assets ("ILFA") and FX gains/(loss)
<b>AGM</b>	Annual General Meeting
<b>AIM</b>	Alternative Investment Market of the London Stock Exchange plc
<b>API</b>	American Petroleum Institute
<b>ARV</b>	Annual Rental Value
<b>ATV</b>	Annual Taxable Value
<b>bbbl</b>	barrel
<b>BDO</b>	Binder Dijker Otte
<b>BIR</b>	Board of Inland Revenue of Trinidad & Tobago
<b>BM</b>	Brighton Marine
<b>Brexit</b>	Withdrawal of the UK from the EU
<b>Board</b>	Board of Directors
<b>bopd</b>	barrels of oil per day
<b>boepd</b>	barrels of oil equivalent per day
<b>c.</b>	circa (approximately)
<b>CA 2006</b>	Companies Act 2006 (as amended from time to time)
<b>Capex</b>	Capital expenditure
<b>CGU</b>	Cash generating units
<b>CIBC</b>	FirstCaribbean International Bank (Trinidad & Tobago) Limited
<b>CIMA</b>	Chartered Institute of Management Accountants
<b>CLN</b>	Convertible Loan Notes previously in issue by the Group which were fully redeemed as part of the Group's fundraising in 2018
<b>COSA</b>	Crude Oil Sales Agreement
<b>COVID-19</b>	Coronavirus disease (COVID-19) is an infectious disease caused by a new virus. The disease causes respiratory illness (like the flu) with symptoms such as a cough, fever, and in more severe cases, difficulty breathing.
<b>DD&amp;A</b>	Depreciation, depletion and amortisation
<b>DOA</b>	Delegation of Authority
<b>DTA</b>	Deferred Tax Asset
<b>DTL</b>	Deferred Tax Liabilities
<b>EAD</b>	Exposure at Default
<b>E&amp;E</b>	Exploration and Evaluation
<b>ECTT</b>	Energy Chamber of Trinidad and Tobago
<b>EIA</b>	Environmental Impact Assessment
<b>ECL</b>	Expected Credit Loss
<b>EMA</b>	Environmental Management Authority
<b>EMT</b>	Executive Management Team
<b>ESG</b>	Environmental Social Governance
<b>ESP</b>	Electric Submersible Pump
<b>EU</b>	European Union
<b>EUR</b>	Estimated Ultimate Recovery

## Glossary (continued)

Abbreviation	Meaning
<b>FCF</b>	Free Cash Flow
<b>FEED</b>	Front End Engineering Design
<b>FDP</b>	Field Development Plan
<b>FID</b>	Final Investment Decision
<b>FOA</b>	Farmout Agreement
<b>FRC</b>	Financial Reporting Council
<b>FVLCD</b>	Fair Value less Costs of Disposal
<b>FX</b>	Foreign Exchange
<b>G&amp;A</b>	General and Administrative expenses
<b>GBP or £</b>	Great British Pound
<b>GHG</b>	Green House Gases
<b>GORTT</b>	Government of the Republic of Trinidad and Tobago
<b>Group</b>	Trinity and its Subsidiaries
<b>H</b>	Half Year i.e. H1 means first half
<b>HAW</b>	High Angle Well
<b>Derivatives</b>	Oil Price Derivative Financial Instruments
<b>Heritage</b>	Heritage Petroleum Company Limited
<b>HMRC</b>	Her Majesty Revenue and Customs of the United Kingdom
<b>HSSE</b>	Health, Safety, Security & Environment
<b>IOC</b>	Independent Oil Group
<b>IP</b>	Initial Production
<b>IOR</b>	Improved Oil Recovery
<b>IAS</b>	International Accounting Standards
<b>IFRS</b>	International Financial Reporting Standards
<b>IFRS IC</b>	IFRS Interpretations Committee
<b>ITC</b>	Investment Tax Credits
<b>ILFA</b>	Impairment losses on Financial assets
<b>JOA</b>	Joint Operatorship Agreement
<b>KPI(s)</b>	Key Performance Indicator(s)
<b>LGD</b>	Loss Given Default
<b>LLP</b>	Limited liability partnership
<b>LNG</b>	Liquefied Natural Gas
<b>LO</b>	Lease Operator
<b>LOA</b>	Lease Operatorship Agreement
<b>LTA</b>	Lost Time Accidents
<b>LTIP</b>	Long-Term Incentive Plan
<b>MOU</b>	Memorandum of Understanding
<b>MEEI</b>	Ministry of Energy and Energy Industries of Trinidad & Tobago
<b>MM</b>	million
<b>Management</b>	Board and EMT
<b>mmbbls</b>	million barrels
<b>mmstb</b>	million stock tank barrels

## Glossary (continued)

Abbreviation	Meaning
<b>MPHU</b>	Mechanical Pumping Hydraulic Unit
<b>mt</b>	metric tonnes
<b>NDC</b>	Nationally Determined Contribution
<b>NE</b>	North East
<b>NGC</b>	National Gas Company of Trinidad and Tobago Ltd
<b>NOC</b>	National Oil Company also known as Heritage
<b>NOS</b>	Net Oil Sands
<b>Operating Break-even</b>	The realised price where the Adjusted EBITDA for the respective asset is equal to zero. Consolidated Operating Break-even is the realised price where the Adjusted EBITDA for the entire Group is equal to zero)
<b>OCF</b>	Net Cash Flow from Operating Activities
<b>Operating Expenses</b>	Royalties, Production costs ("Opex"), Depreciation, Depletion & Amortisation ("DD&A"), General & Administrative ("G&A") expenses, Impairment losses on financial assets ("ILFA"), Share Option Expense ("SOE") and Foreign exchange ("FX") (loss)/gain
<b>Opex</b>	Production costs
<b>OPEC</b>	Organization of the Petroleum Exporting Countries
<b>Operating Profit</b>	Operating Profit from business operations (Operating Revenues less Operating Expenses less SPT & PT less Exceptional items)
<b>ORR</b>	Overriding Royalties
<b>Paris Agreement</b>	The Paris Agreement is an agreement within the United Nations Framework Convention on Climate Change, dealing with greenhouse-gas-emissions mitigation, adaptation, and finance, signed in 2016 including Least Developed Countries and Small Island Developing States.
<b>PCP</b>	Progressive Cavity Pumps
<b>PD</b>	Probability of Default
<b>Petrotrin</b>	The Petroleum Group of Trinidad and Tobago Limited
<b>PGB</b>	Point Ligoure-Guapo Bay-Brighton Marine Outer (West Coast Assets)
<b>Plc</b>	Public Limited Group
<b>PPE</b>	Personnel Protective Equipment
<b>ppm</b>	parts per million
<b>PPT</b>	Petroleum Profits Tax
<b>PRMS</b>	Petroleum Resource Management System
<b>PT</b>	Property Tax
<b>PwC</b>	PricewaterhouseCoopers LLP
<b>Q</b>	Year quarter (3 months) i.e. Q1 means first quarter
<b>REI</b>	Reportable Environmental Incidents
<b>RNS</b>	Regulatory News Service
<b>RCP(s)</b>	Recompletion(s)
<b>Realised price</b>	Actual price received for crude oil sales per bbl. A discount is normally applied to the WTI price by Petrotrin and, since 1 December 2018, Heritage to derive the realised price received by Trinity.
<b>ROU</b>	Right-of-Use
<b>SCADA</b>	Supervisory Control and Data Acquisition
<b>SOE</b>	Share Option Expense
<b>SPE</b>	Society of Petroleum Engineers

## Glossary (continued)

Abbreviation	Meaning
<b>SPT</b>	Supplemental Petroleum Tax
<b>START Card</b>	See Think Act Reinforce Track Card
<b>STOIP</b>	Stock Tank Oil Initially in Place
<b>STOW</b>	Safe to Work
<b>SW</b>	South West
<b>T&amp;T based bank</b>	First Citizens Bank Limited
<b>TEPUKL</b>	Trinity Exploration & Production (UK) Limited
<b>TEPGL</b>	Trinity Exploration and Production (Galeota) Limited
<b>Trinity/Company/Parent</b>	Trinity Exploration & Production plc
<b>TOG</b>	Total Oil and Gas
<b>TPH</b>	Total Petroleum Hydrocarbons
<b>TSR</b>	Total Shareholder Return
<b>TTD</b>	Trinidad & Tobago Dollars
<b>T&amp;T</b>	Trinidad & Tobago
<b>T&amp;T State creditors</b>	Reference to both BIR and MEEI
<b>UK</b>	United Kingdom
<b>UL</b>	Unemployment Levy
<b>USA</b>	United States of America
<b>USD or USD</b>	United States Dollars
<b>UWI</b>	University of the West Indies
<b>VAT</b>	Value Added Tax
<b>VIU</b>	Value in Use
<b>vs</b>	versus
<b>VWAP</b>	Volume-Weighted Average Price
<b>WFH</b>	Work From Home
<b>WHO</b>	World Health Organisation
<b>WTI</b>	West Texas Intermediate - is a grade of crude oil used as a benchmark in oil pricing
<b>WO(s)</b>	Workover(s)
<b>YE</b>	Year-end



# Company Information

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## Corporate Secretarial

### Company Secretary

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Glasgow G2 5ER

### First Citizens Bank Limited

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### CIBC FirstCaribbean International Bank

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## Certifications



Safe TO Work

## Affiliations



Professional Development



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