**06 March 2018**

*Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR).*

**Trinity Exploration & Production plc**
**("Trinity" or "the Group" or "the Company")**

**2017 (Unaudited) Financial Highlights**

***A transformational year and poised to grow high margin production***

Trinity, the independent E&P company focused on Trinidad and Tobago today provides an update on its operations and unaudited financial position for the 12-month period ended 31 December 2017 in advance of publishing the Group's 2017 audited full-year results in May. The information contained herein has not been audited and may be subject to amendment.

**2017 Highlights (Unaudited)**

- Operating profits increased 74.6% to US$11.0 million (2016: US$ 6.3 million)
- Operating margin of 24.3% (2016: 17.7%) or US$12.0/bbl (2016: US$6.7/bbl)
- Robust consolidated operating breakeven for the period of US$30.9/bbl (2016: US$29.3/bbl)
- Strengthened balance sheet;
    - Cash balance of US$11.8 million (2016: US$7.6 million)
    - Amounts due to the Board of Inland Revenue ("BIR") and Ministry of Energy ("MEEI") reduced to US$5.9 million (H1 2017: US$10.6 million), US$2.9 million below the amount envisaged under the ratified repayment plan
- Net debt significantly reduced to US$0.1 million (2016: US$38.0 million)
- Production growth of 10.2% to 2,641 bopd in H2 2017 (2,397 bopd in H1 2017) following successful programme of recompletions and workovers
- Further production growth anticipated during 2018
    - low cost high margin production – providing near term value
    - onshore drilling to underpin medium term uplift

| Key Metrics: | FY 2017 | FY 2016 | Change (%) |
|---|---|---|---|
| Average realised oil price (US$/bbl) | 48.6 | 39.4 | 23.4 |
| Average net production (bopd) | 2,519 | 2,542 | (0.9) |
| Operating profits (US$ MM)[1] | 11.0 | 6.3 | 74.6 |
| Operating Margin (%)[2] | 24.3 | 17.7 | 37.3 |
| Operating Margin (US$/bbl)[3] | 12.0 | 6.7 | 77.3 |
| Consolidated breakeven (US$/bbl) | 30.9 | 29.3 | 5.5 |
| Cash balance (US$ MM) | 11.8 | 7.6 | 55.3 |
| Net debt (US$ MM)[4] | 0.1 | 38.0 | N/A |

*1 – Operating Margin: Gross Revenues-Production Royalty-Overriding Royalty-Opex-G&A-Hedging Costs*
*2 – Operating Margin %: Operating Margin/Gross Revenues*
*3 – Operating Margin/bbl: Operating margin/no. of bbls sold*
*4 – Net Debt: based on face value of debt, including accrued interest, whereas some debt is shown at fair value in the accounts per accounting standard requirements*

**Financial Update**

Operating costs ("OPEX") and G&A were in line with expectations, resulting in robust operating profits of US$11.0 million (2016: US$6.3 million), consolidated operating netback of $12.0/bbl (after deducting Royalties, Opex, G&A and Hedging Costs) (2016: $6.7/bbl) with a consolidated operating breakeven price of US$30.9/bbl (2016: US$29.3/bbl). Hedging costs were US$1.4 million, of which US$0.6m was the premium paid for the put options purchased in April 2017 and US$0.8m is the fair value of the collar which was implemented in November 2017, effective January to December 2018.

The Company ended the financial year with a robust cash position of US$11.8 million (2016: 7.6 million; H1 2017: US$11.5 million) after funding significant reductions in the amounts due to the BIR and MEEI (US$4.7 million in H2 2017) and increased capital expenditure ("capex") spend of US$2.5 million in H2 2017 (US$0.7 million in H1 2017).

Liabilities outstanding to BIR and MEEI continue to be reduced faster than the ratified repayment plan. At the year end, the amounts due to BIR and MEEI had reduced to US$5.9 million (H1 2017 US$10.6 million) which is approximately US$2.9 million below the amount envisaged under the ratified repayment plan. Management intend to continue to reduce the amounts due to BIR and MEEI at an accelerated rate, with a view to eliminating the remaining balance during 2018.

The Company's net debt position was significantly reduced to $0.1million (2016: $38.0 million). The net debt position includes the amounts owing to the BIR and MEEI, the face value (including accrued interest) of the Company's convertible loan note ("CLN") of US$7.0 million and other current assets and current liabilities. The net debt position would have been even stronger but for the Supplementary Petroleum Tax ("SPT") arising in Q4 2017 of US$1.5 million and an accrual for property taxes which may be due in respect of 2016 and 2017 of US$1.4 million. However, this accrual may be reversed in H1 2018 if the bill currently before parliament waiving the property tax obligation for 2016 and 2017 is passed.

**Operational Update**

The Company focused on increasing its low-cost production base in H2 2017 with a view to delivering high margin returns. The Company's 2017 work programme included a combination of; 97 workovers and reactivations (2016: 63) as well as swabbing, 37 recompletions ("RCPs") (2016: nil), which incurred capex spend of US$1.9 million, together with an additional US$1.3 million of capex invested in upgrading and repairing the Company's infrastructure.

Average production for 2017 averaged 2,519 bopd (2016: 2,542 bopd). Natural decline (c.8-10%) was arrested by the successful RCP programme. During the second half of the year, the Company increased production volumes by 10.2% from 2,397 bopd to 2,641 in H2 2017, and average production volumes were 2,777 bopd for Q4 2017.

**Outlook**

The current year has started positively with production in January rising to 2,811 bopd. The Company aims to at least maintain this level of production during 2018 and is targeting a range of 2,800 – 3,000 bopd for the current year. The Company is planning to implement a further 14 RCPs and 93 workovers/reactivations this year, to continue to invest in the Company's infrastructure and to resume onshore drilling with two new infill wells targeted for H1 2018. The Company is confident that this plan can be delivered under the current fiscal regime, and is refining the pipeline of other well locations for drilling later in the year (contingent on the oil price and clarity regarding the future fiscal regime). The Company's low consolidated operating breakeven (US$30.9/bbl) and the hedging programme which has been implemented in 2017 gives confidence that these growth and investment plans could be delivered even if the oil price declined dramatically to its 2015/16 lows and/or if the current SPT regime remains in place.

Management is continuing to examine a range of options regarding the sale of the West coast assets. In the interim, the assets continue to generate positive cash flow.

The longer-term opportunity for realising further value from our Galeota license remains under review.

The Company continues to explore various options to strengthen the balance sheet further, with the intention of repaying the remaining amounts due to the BIR and MEEI, and redeeming the CLN, during 2018 and accelerating the onshore infill drilling programme.

The Board remains confident that the growth in high margin production and continued focus on strengthening the balance sheet will deliver excellent returns for shareholders in 2018 and beyond.

**Bruce Dingwall, CBE, Executive Chairman of Trinity, commented:**
*"2017 was a transformational year for the Company, with the restructuring and refinancing undertaken at the beginning of the period and our return to production growth in the second half of the year. Our low-cost production model has underpinned a significant increase in operating profits, affording the Company the opportunity to accelerate debt repayment. The combination of our strong balance sheet and proven ability to grow levels of production ensures that the Company is well placed to realise further value in 2018 and beyond.*

*"I must thank all our staff and stakeholders for their hard work and support through this period of renewed operational activity.*

*"We look forward with confidence and will provide a further update alongside our full year audited results."*

**Competent Person's Statement**
The information contained in this announcement has been reviewed and approved by Graham Stuart, the Company's Technical Advisor who has 35 years of relevant global experience in the oil industry. Mr. Stuart holds a BSC (Hons) in Geology. Reserves and resources in this announcement are based on internal management estimates in accordance with SPE PRMS guidelines (Petroleum Resources Management System 2007 & Revisions).

**Enquiries:**

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**About Trinity** (www.trinityexploration.com)

Trinity is an independent oil and gas exploration and production company focused solely on Trinidad and Tobago. Trinity operates producing and development assets both onshore and offshore, in the shallow water West and East Coasts of Trinidad. 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 reserves/resources growth. The Company operates all of its nine licenses and, across all of the Group's assets, management's estimate of 2P reserves as at the end of 2016 was 21.3 mmbbls (excluding the Guapo-1 license which was disposed of in April 2016). Group 2C contingent resources are estimated to be 21.1 mmbbls. The Group's overall 2P plus 2C volumes are therefore 42.3 mmbbls.

Trinity is listed on the AIM market of the London Stock Exchange under the ticker TRIN.