TRINITY
EXPLORATION & PRODUCTION

2019

Annual Report & Accounts

for the year ended 31 December 2019

Company Number: 07535869
Stock Code: TRIN

About Trinity

Trinity Exploration & Production Plc (“Trinity” or “the Company” or “Parent”) is an independent energy company focused solely on Trinidad & Tobago (“T&T”). Trinity and its subsidiaries (together “the Group”) operate a portfolio of producing, development and exploration assets both onshore and offshore in the shallow waters off the west and east coasts of Trinidad.

T&T is a prolific hydrocarbon basin where sustained growth in oil and gas production remains a strategic national interest. A mature network of infrastructure is supported by easy access to downstream markets, equipment, services and skilled labour within the country. Opportunities exist to build a business of scale through the re-development of proven fields and through the development of stranded discoveries that offer near term development projects in a low cost operating environment.

Our Core Values

Behaviour
that mirrors professionalism, respect and fairness

Rigour
initiate thought before action

Purpose
fit for delivering our business goals

Who we are

01

Local

> Local team– 97% staff based at core operations in T&T
> Local oil producer of scale: 6% of total country oil production including Heritage[1] and 14% contribution of total producers excluding Heritage
> Good support and working relationships with GORTT[2], BIR[3] & Heritage
> Natural leaders in the local landscape

02

Ideally located

> World class hydrocarbon basin
> Large reserves & resources base
> Grown onshore reserves by 80% over last three years

03

Lean and innovative

> Low cost operator
> Low oil price break-even
> Pioneering the digitalisation of production operations
> Pioneering the deployment of HAW's[4]
> Pioneering new artificial lift techniques

04

Diversified and aligned

> Full cycle, revenue generating operator not reliant on single reservoir or field
> Parallel activity sets (reduces production delivery risk) to increase production
> Interests aligned – Management[5] ownership 22%

Contents

Notes:
1. Heritage: Heritage Petroleum Company Limited
2. GORTT: Government of the Republic of Trinidad and Tobago
3. BIR: Board of Inland Revenue of Trinidad and Tobago
4. HAW(s): High Angel Well(s)
5. Management: Board of Directors ("Board") and Executive Management Team ("EMT")

Our place on the world map

Venezuela

Orinoco Heavy Oil Belt

In 1914, the first oil well, Zumaque-1 was drilled and completed in the Mene Grande oilfield. It was discovered by Caribbean Petroleum in the Maracaibo Basin. Venezuela is currently no.1 ranked for global oil reserves and the twelfth largest oil producer in the world.

Barinas-Apure Basin

T&T is well positioned in a Prolific Hydrocarbon Basin amongst World's Largest Oil Reserves.

N

Note:

Counties Operated by Medium to large Multinational Oil and Gas Companies and National Oil Companies ("NOC").

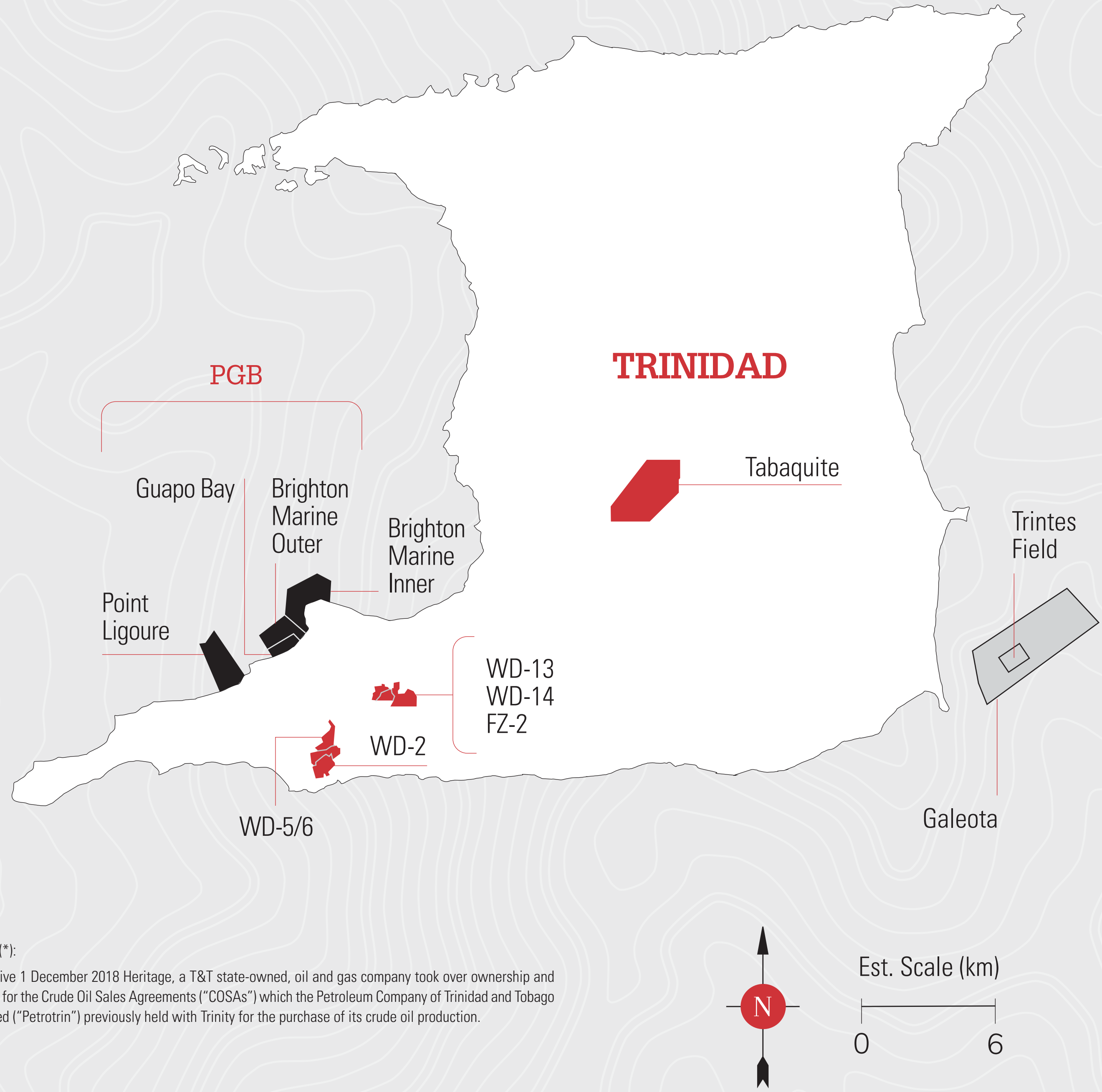
Trinidad & Tobago

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. The Pitch Lake is located in La Brea which has the largest natural deposit of asphalt in the world. Trinidad is currently ranked in the top 50 for oil reserves and top 40 for gas reserves. Trinidad is the seventh largest exporter of Liquified Natural Gas ("LNG") in the world.

Guyana

In 2015, the Liza-1 well was the first significant oil find offshore Guyana when ExxonMobil announced the discovery of more than 90 metres of high-quality, oil bearing sandstone reservoirs about 200km off its coastline. Guyana is currently ranked within the top 20 for oil reserves globally. Guyana commenced crude oil production in December 2019 and officially joined the ranks of the world's top oil producers.

Our assets



Note (*):

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

Total YE 2019
2P Reserves[1] + 2C Reserves[2]

	mmstb
2P	20.94
2C	20.13
Total	**41.07**

West Coast

	mmstb
2P	2.24
2C	1.00
Total	**3.24**

Onshore

	mmstb
2P	2.24
2C	1.85
Total	**9.28**

East Coast

	mmstb
2P	11.27
2C	17.28
Total	**28.55**

Notes
1. 2P: proven and probable reserves.
2. 2C: contingent resources.
3. Management Estimates for 2P reserves and 2C resources.

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

Key

- 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

Executive Chairman's Foreword

We have transformed our business into the leading low cost producer in T&T. We are now undergoing another transformation, the digitalisation of our business, to enable even more efficient operations and the ability to scale quickly and effectively.

2019 was a significant year for Trinity as we delivered another strong operational and financial performance as well as deploying new approaches, technologies and techniques, with the aim of becoming a more technologically focused operator and thereby driving optimum operational, financial and environmental performance.

2019 saw Trinity successfully drill six new Onshore wells in H2 2019. Results were encouraging and supported the delivery of production growth with average production volumes increasing to 3,007 bopd in 2019 (2018: 2,871 bopd). The deployment of Supervisory, Control And Data Acquisition ("SCADA") and the drilling of our first HAW is testimony to our continual drive to get more for less and further enhance the business' operational resilience. As we ramp up these efficiency drives, we expect to see real benefits come to fruition.

Despite oil prices being slightly weaker during 2019, the Group reported another year of growth in operating profitability and an increase in cash balances.

The upshot is a robust business with an operating break-even of USD 26.4/bbl (2018: USD 29.0/bbl). This provides a natural hedge against lower oil price environments and a strong base to build upon. Based on the current oil price environment, we have refined our business model to further lower our operating break-evens and provide further resilience to a sustained period of lower oil prices.

Our performance is not only measured in financial and operational terms, but we now also measure our business outputs in terms of environmental and social performance. During 2019 we have strengthened our commitment to minimising our carbon footprint, benefitting the environment we work in and helping to ensure the future success of the business.

Looking ahead, we are well placed to continue to grow organically but we are also positioned to make the most of other development opportunities that may arise locally.

Our toolbox provides the means to preserve as well as grow and the resilience of our business model means we face the future with cautious optimism. We expect a return to growth once we move on from the tragedies of COVID-19 and oil prices begin to recover. In the meantime, we are committed to preserving and delivering value for all our stakeholders and with our robust finances and local, highly efficient model, we are ideally positioned to take advantage of opportunities that may arise.

In March 2019 Jeremy Bridglalsingh stepped up into the role of Managing Director alongside his role as Chief Financial Officer ("CFO") having been with Trinity since 2012. Jeremy and the teams combined strategic, operational and financial acumen continue to be key drivers in the evolution of our business model and its resilience. Later in this report Jeremy and I address the considerable challenges we are facing in 2020 by means of a Q&A session.

Bruce Dingwall, CBE
Executive Chairman

Business Model and Strategy

Trinity's aim is to position itself as the leading independent producer in T&T on the Alternative Investment Market ("AIM"). To achieve this, our strategy is simple: to retain the integrity of the core producing proved 2P reserves base, to continue to grow production safely, to efficiently deliver profitable operating returns and to prudently convert our significant 2C resources to 2P reserves and future inventory.

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 execution of our business plan during 2019 has ensured that we are strategically well positioned to continue monetising our assets (41.07 mmbbls of 2P reserves & 2C resources with exit production c. 3,400 bopd) whilst maintaining financial strength and flexibility with USD 13.8 million in cash balances (USD 17.3 million in cash plus working capital surplus) at 31 December 2019 and with the ability to focus on growth opportunities at a time when the oil and gas landscape in T&T remains subject to reform and is evolving quickly.

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.

Our Business Model is designed to deliver our strategy of sustaining and adding value for shareholders 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.

01

Operate safely and responsibly

- Preserving the integrity of our producing asset base whilst targeting future value growth
- Protecting our people, our community and the environment is paramount
- Giving us the social and legal rights to operate is critical to our business

02

Focus on protecting and increasing shareholder value

- Focusing on active portfolio management, commercial innovation and potential corporate opportunities
- Targeting a balance of short-term growth via monetising 2P reserves; medium-term growth via developments (2C to 2P) and longer-term growth from adding acreage/assets to the portfolio
- Maintaining strong local knowledge and relationships
- Aiming to optimise commercial terms across the asset portfolio
- Screening opportunities to add production and/or development assets to the portfolio

03

Ensure access to internal and external capital

- Continuing to optimise and improve operational practices and efficiencies (that enabled the Group to materially re-base costs in recent years)
- Focusing on financial discipline and retaining a low operating break-even to protect the business during downturns whilst maximising leverage when the market backdrop is favourable
- Maintaining a close dialogue with shareholders and other potential capital providers

Key Highlights

Corporate & Financial

Revenues
USD 63.9 million

2018: USD 62.6 million

↑ 2%

Cash Balances
USD 13.8 million

2018: USD 10.2 million

↑ 35%

Low operating break-even
USD 26.4/bbl

2018: USD 29.0/bbl

↓ 9%

New working capital facility[1]
USD 2.7 million

Fully undrawn at YE 2019

Adjusted EBITDA[2]
USD 21.8 million

2018: USD 19.2 million

↑ 14%

Adjusted EBITDA after SPT[3] & PT[4]
USD 13.9 million

2018: USD 12.8 million

↑ 9%

Reserves & Production

New onshore wells
Six

Drilled on time and budget.

Better than anticipated net oil sands encountered (+47%), IP[5] rates (+54%) and EUR[6] reserves (+20%)

Annual average production
3,007 bopd[8]

2018: 2,871 bopd

↑ 5%

First HAW drilled

HAWs potentially yield IP rates and EUR reserves of more than 2x that of conventional wells

Exit rate of
c.3,400 bopd

Exit rate achieved due to intensive work programme of new infill wells, RCPs and WOs/ reactivations

Substantial Reserves and Resources in place

2P reserves **20.94** mmstb[7]

2C resources **20.13** mmstb

Total 2P reserves + 2C resources **41.07** mmstb

SCADA trials

Better than expected results from the initial trial of Weatherford's production optimising platform, offering the potential to meaningfully increase production and productivity

Notes:

1. New Working Capital Facility: Relates to the CIBC FirstCaribbean International Bank (Trinidad & Tobago) Limited ("CIBC") revolving overdraft facility repayable on demand.
2. Adjusted EBITDA: 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 Other Expenses related to oil price derivative financial instruments ("hedges")
3. SPT: Supplemental Petroleum Tax
4. PT: Property Tax
5. IP: Initial Production
6. EUR: Estimated Ultimate Recovery
7. mmstb: million stock tank barrels
8. bopd: barrels of oil per day
9. Financial Information: In full year ("FY") 2019 we adopted International Financial Reporting Standards ("IFRS") 16 Leases ("IFRS 16"). For comparative purposes see Key Performance Indicators ("KPI") section on page 29 and the Financial Review - Adoption of IFRS 16 on pages 34 to 35 which also excludes the impact of adopting IFRS 16 for 2019 to illustrate the like-for-like, year-on-year comparative with FY 2018 using IAS 17.

Trinity at a glance

Q&A

Joint Question and Answer ("Q&A") with the Executive Chairman and Managing Director.

A robust platform capable of delivering sustainable growth in shareholder value

Bruce Dingwall, CBE ("BD")
Executive Chairman

"We are continuing to work on behalf of all shareholders and stakeholders building a strong operational base whilst adhering to our philosophy of financial prudence and discipline."

Jeremy Bridglalsingh ("JB")
Managing Director

"We continue to successfully implement our strategic plans, diversifying and de-risking our portfolio by deploying new technologies, increasing the number of active wells and hedging both operationally and financially."

In 2019, we continued to steer our business through another year of operational and financial growth.

In summary, how was 2019 for Trinity?

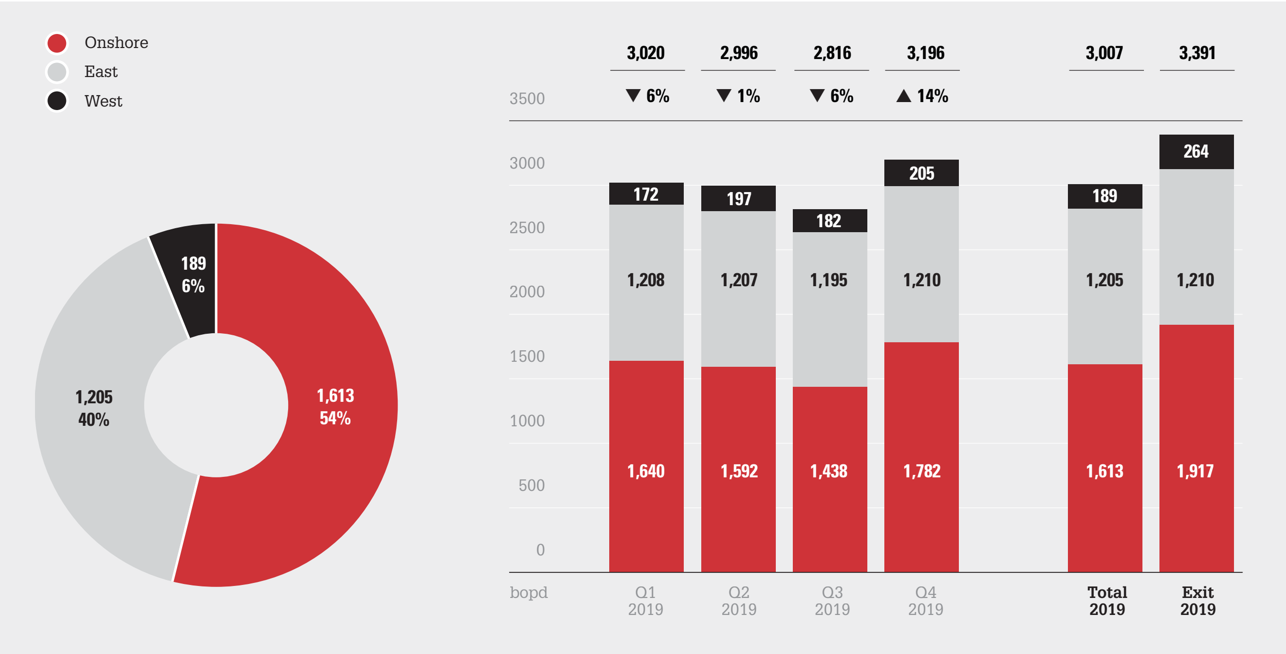
BD: 2019 was a significant year for Trinity as we adopted new operating practices, along with new technologies and techniques, with a view to better securing then growing, our base production levels. The aim, is to protect against the downside, whilst yielding better and more repeatable returns on investment in the future. We made substantive progress in 2019 towards our goal of becoming a more technologically driven operator in our effort to drive optimum financial and environmental performance. These efforts will stand the Group in good stead when we look forward to 2021 and beyond.

JB: Just to add to Bruce's point on our target and achievement of 'better and more repeatable returns'. What this essentially means is that whilst growing top-line production is an engine for growth, it is only effective growth if we are able to leverage the economics. Despite a lower average realised oil price during 2019, we increased our operating profitability on a margin and a per barrel basis for the fourth year in succession, further securing our position as among the lowest cost operators in the sector.

How would you summarise the operational and financial highlights for the year?

BD: Perhaps I can address our operational performance and let Jeremy cover the financial outcomes from that performance. Trinity's focus in recent years has been on preserving the integrity of our producing asset base, whilst improving operational practices and efficiencies to materially re-base costs and drive improved operational profitability. 2019 saw Trinity successfully drill six new Onshore wells in H2 2019, with encouraging results. Equally importantly, however, 2019 saw us deploy new approaches and technologies with our first Onshore HAW as the first step to deploying full horizontal wells and the trial and roll out of SCADA platforms on wells. Average production volumes grew by 5% to 3,007 bopd in 2019 (2018: 2,871 bopd). With the increased activity levels in H2 2019 there was a 14% quarter-on-quarter increase in average production volumes to 3,196 bopd for Q4 2019 (Q3 2019: 2,816 bopd) with exit production for 2019 of c. 3,400 bopd. The increase in annualised production was underpinned by a combination of the six new Onshore development wells coming on stream during H2 2019, an increase in active offshore wells producing from 31 to 34 and the continuation of the Group's low-cost ongoing work programme of RCPs, WOs, reactivations and swabbing. The 2019 work programme included a total of 23 RCPs (2018: 17) and 122 WOs and well reactivations (2018: 143).

Quarterly & Annual Production



Notes:

1. %s indicate quarter-on-quarter comparative i.e. Q1 2019 vs Q2 2019.
2. Annual production was 1.10 million barrels ("mmbbls") (2018: 1.05 mmbbls) with Onshore 54%, East Coast 40% and West Coast 6%.
3. Exit rate based on average of last five days reported production rates of 2019.

Q&A (continued)

JB: The resulting production growth had a positive impact on our revenues in 2019 despite lower crude oil prices. Crucially, despite lower realisations, we yet again increased operating profitability with Adjusted EBITDA up 14% to USD 21.8 million (2018: USD 19.2 million) which represents an Adjusted EBITDA margin of 34% (2018: 31%). The upshot is that we have a robust business with an operating break-even of USD 26.4/bbl (2018: USD 29.0/bbl). This represents the fourth year in succession of low operating break-evens which provides a natural hedge against lower oil price environments and a strong base to build upon. Based on the current oil price environment, we have refined our business model to further lower our operating break-evens and provide further resilience to a sustained period of lower oil prices.

The like-for-like comparison of Adjusted EBITDA after SPT & PT was USD 13.9 million (USD 12.6/bbl) for 2019, a 9% increase vs. USD 12.8 million (USD 12.2/bbl) for 2018. Adjusted EBITDA after taxes, on a per share basis, was down 6% to US 3.4 cents per share (diluted) (2018: 3.6 cents), on account of the increased weighted average share count in FY 2019.

Operating Cash Flow ("OCF") for 2019 increased by 9% to USD 13.1 million from USD 12.1 million in 2018. Net OCF, after changes in working capital movements and income taxes, was USD 16.8 million (2018: USD 5.2 million). The increase is mainly due to USD 11.6 million year-on-year working capital movement compared to the previous year, which was largely attributable to the receivables due from Petrotrin being paid in 2019 rather than 2018. Stripping out the decrease in receivables attributable to the Petrotrin receipts during 2019, the like for like OCF after changes in working capital would have been USD 10.6 million vs USD 11.8 million for 2018.

The Group's cash balances at year end stood at USD 13.8 million (2018: USD 10.2 million). The higher cash balance is as a result of a strong operating performance and movement in working capital balances more than offsetting Capital Expenditure ("Capex") of USD 12.7 million (2018: USD 12.5 million). In aggregate, the resultant net current assets (net cash plus working capital surplus) stood at USD 17.3 million (2018: USD 18.1 million). This financial strength and flexibility was further enhanced during the year by putting in place an overdraft credit facility with CIBC for USD 2.7 million which was undrawn at the year end.

In 2019, the impact of higher production levels and more wide-scale deployment of SCADA and other technological efficiency drives started to become apparent, enabling Trinity's low operating break-even, now well established, to continue to be reduced (2018: USD 29.0/bbl, 2019: USD 26.4/bbl). The Group has evolved its operating and financial systems and processes over the last four years to enable the business to be sustainable in a lower oil price environment and in a world of global economic uncertainties.

What else have you done to secure the business against factors you cannot control?

JB: The key variables beyond control are the oil price and 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. Low operating break-evens maximise operational cash flows and ensure operations remain sustainable even in low oil price environments. Our ultimate goal is to be sustainably and significantly Free Cash Flow ("FCF") generative, through operating levers including:

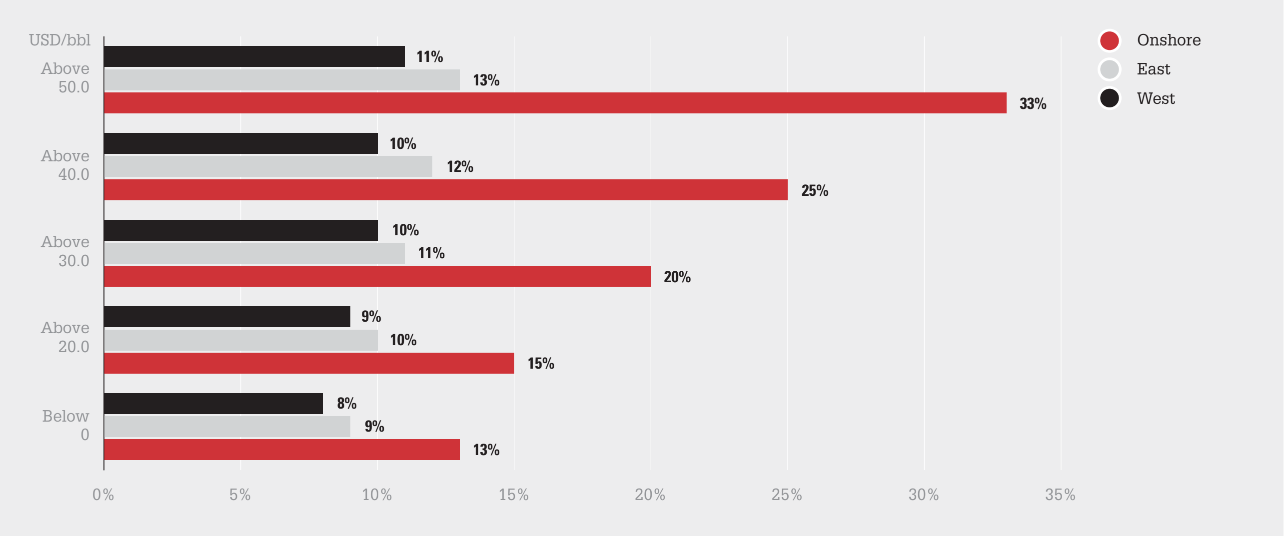
- Reducing Production Costs ("Opex")/bbl and General & Administrative Expenses ("G&A")/bbl by increasing production (preserving base production levels and higher EUR reserves from new wells) and reducing costs (economies of scale and well optimisations)
- Reducing Capex per well costs for new wells
- Increasing IPs 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 (Galeota in particular) allow us to receive an appropriate return on investment and thereby protect and grow shareholder value, in divergent oil price scenarios

With regards to this final point, it is worth noting that the amount of Overriding Royalties ("ORR") payable reduces with lower oil prices as shown in the table opposite.

The financial levers in place, 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, we have put layers of hedging in place to mitigate the impact of SPT when realisations are in its most impactful price range (above USD 50.0/bbl to 56.0/bbl). Trinity took advantage of the oil price strength in July and September 2019 and again in January 2020 to put layers of hedging in place which were primarily 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, but also provide a degree of protection against a period of lower oil prices. As a result, the Group currently has crude hedges in place over 47,500 bbls/month for H1 2020 (equating to c. 46% of its 2019 exit production) and 28,333 bbls/month for the H2 2020 (equating to c. 28% of its 2019 exit production) and will receive hedge income if West Texas Intermediate ("WTI") continues to trade below USD 56.0/bbl. The maximum pay-out will be USD 6.0 for each hedged barrel when WTI trades below USD 50.0/bbl in any given month.

Trinity also benefits from a large tax loss position of USD 240.2 million (YE 2019) 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.

ORR rates by field



BD: 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. To facilitate this we have created 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 geared towards further reducing cost structures and optimising production following better than expected results from the initial two well trial of Weatherford's SCADA platforms with SCADA currently in place on six wells with further roll out anticipated during 2020. This is the first time this technology has been deployed in our Onshore fields in T&T 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 over the next 1-2 years. More efficient conventional vertical wells, combined with drilling more HAWs, is aimed towards increasing IP rates, well economics and ultimately cash returns. By becoming more data driven, we have a vision to digitise 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 clinical approach to increasing recovery factors and maximising reserves extraction, we are further securing the business for the future.

So what does that mean in the current environment of low oil prices?

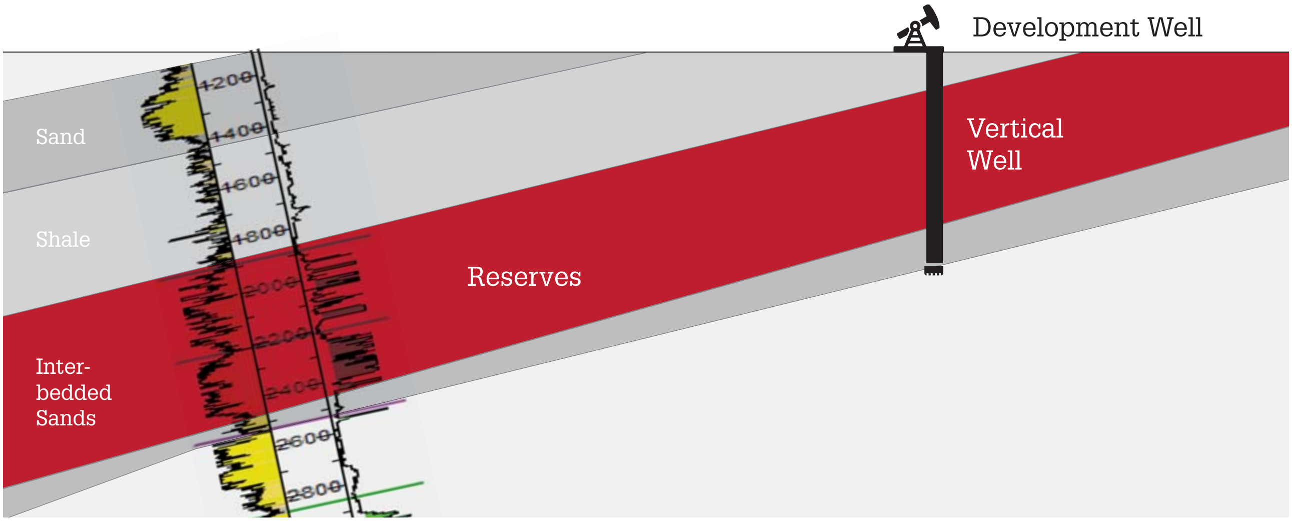
JB: The combination of the operating and financial initiatives implemented by Management combined with discretion on the timing and quantum of investment spending, means that we can be FCF positive across a broad range of oil prices. Trinity's operating break-even has consistently been below USD 30.0/bbl in all periods since early 2016.

More recently, the Trinity has responded rapidly and comprehensively to the impact of the COVID-19 pandemic and the Organisation of the Petroleum Exporting Countries ("OPEC") + Allies standoff, which together prompted a significant decline in oil prices, with WTI (Trinity's benchmark crude) falling from approximately USD 60.0/bbl to c. USD 20.0/bbl during Q1 2020. Our operating break-even (excluding hedging benefits) for Q1 2020 was maintained at USD 26.7/bbl (2019: USD 26.4/bbl). As a result of the pandemic and reduced oil price, our operating break-even (inclusive of hedge income) is being reduced further with a target of USD 20.5/bbl for FY 2020 mainly as a result of Opex and G&A reductions. The Group is focused on preserving cash and minimising discretionary Capex. As such, only essential infrastructure, asset integrity and production related spend is currently budgeted for the next twelve months.

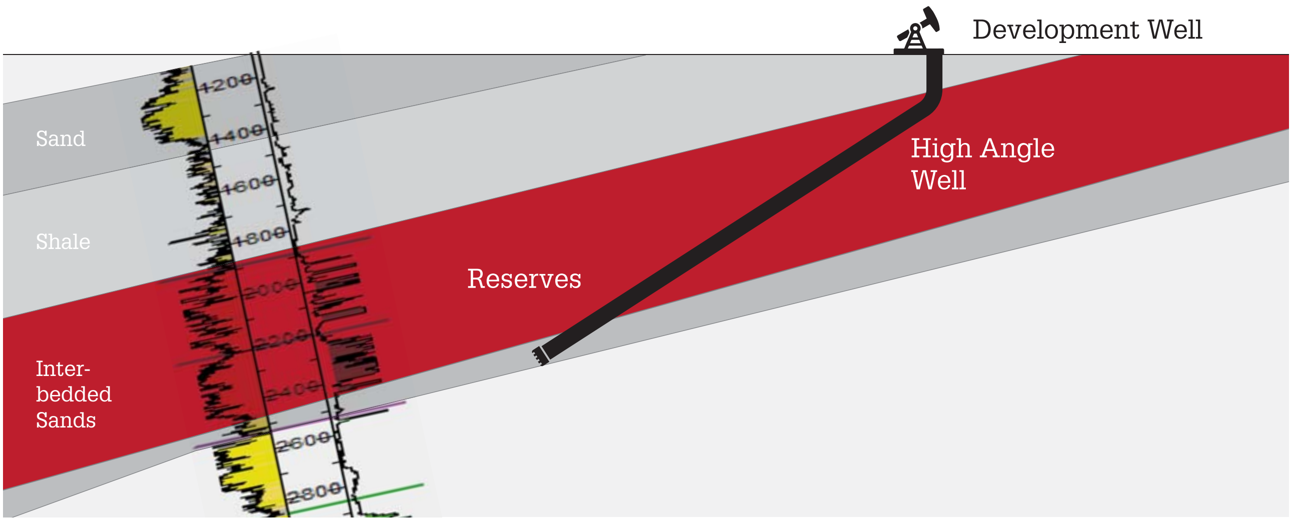
Despite the extremely challenging backdrop, the Group maintained production levels, increased its cash position and took steps to ensure Trinity's core strengths of a low cost base, financial prudence and operating excellence will enable the Group to weather a prolonged period of even lower oil prices. This should ensure that sufficient cash balances are retained throughout 2020, with detailed contingency plans in place to weather oil prices below USD 20.0/bbl until H1 2021. This will enable the prioritising of bottom-line cash conservation whilst maintaining operations onwards to 2021. The hedging

Q&A (continued)

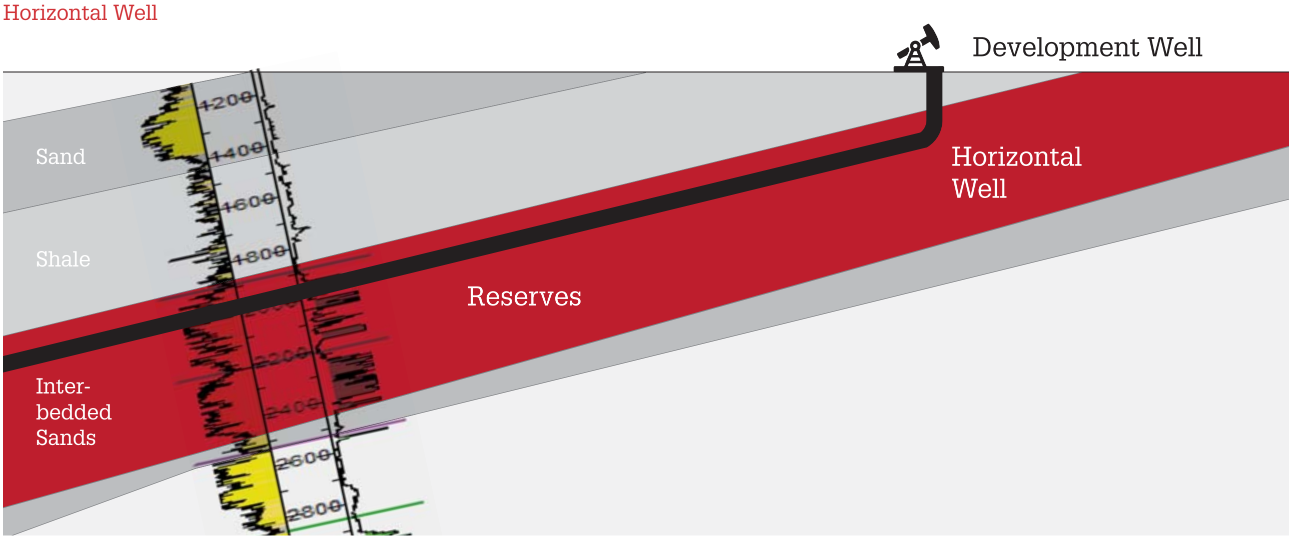
Vertical Well



High Angle Well



Horizontal Well



programme that has been put in place, as well as partially mitigating the impact of SPT when oil prices are in a USD 50.0/bbl to USD 56.0/bbl range, also provides the Group with a degree of protection against a sustained period of lower oil prices.

As mentioned above, the Company currently has crude hedges in place covering 46% of the Group's expected monthly production in H1 2020 and 28% of expected monthly production for H2 2020 and will receive USD 6.0 for each hedged barrel if WTI continues to trade below USD 50.0/bbl. Trinity continues to manage and monitor its hedging programme and, should favourable opportunities arise, additional protection will be added through 2021. The upshot of the aforementioned factors is that the Group is confident it can maintain sufficient cash and liquidity through H2 2021 even in the scenario of a full year average realisation of USD 10.0/bbl for 2020.

BD: Operationally, the commencement and extent of the Onshore drilling programme in 2020 will be dependent on the prevailing economic environment. In the meantime, the Subsurface Team has been tasked to prioritise the identification of further HAW drilling locations and the Group will continue to roll out additional SCADA platforms on selected existing wells and on any new wells that are drilled.

Can you provide more details on these new approaches and technological solutions being rolled out?

BD: 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. So for example, the drilling of our first HAW in 2019 was a key step towards getting both higher IP rates per well (for a commensurately lower cost), whilst also attaining higher recoveries per well. We provide more details within our Operational Review on page 25, but the performance to date of the HAW well gives us confidence in undertaking further HAW wells in the future and moving towards drilling fully horizontal wells. 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. However, the ability to accurately locate HAWs, and ultimately fully horizontal wells, is greatly enhanced by the use of 3D seismic data, and Trinity continues to progress discussions with Heritage (whom we partner with across all of our licenses) to secure the use of this data set on appropriate commercial terms.

Similarly, we had better than expected results from the initial two well trial of Weatherford's SCADA system. The roll out has continued and the platform is currently now operational on six wells with further deployment being planned during 2020. With further roll out over a longer period, we anticipate that the full production benefits and operating cost savings will become increasingly apparent. This initiative is the first time where technology of this kind has been deployed across our Onshore acreage of T&T and provides a low-cost means to protect and enhance base production levels. We have learnt a huge amount in a short time period with the expectation that we will be deploying further SCADA units with wider scale focus on the Automation of wells and operations. One new initiative is to develop and deploy mobile units to undertake optimisations across our wells.

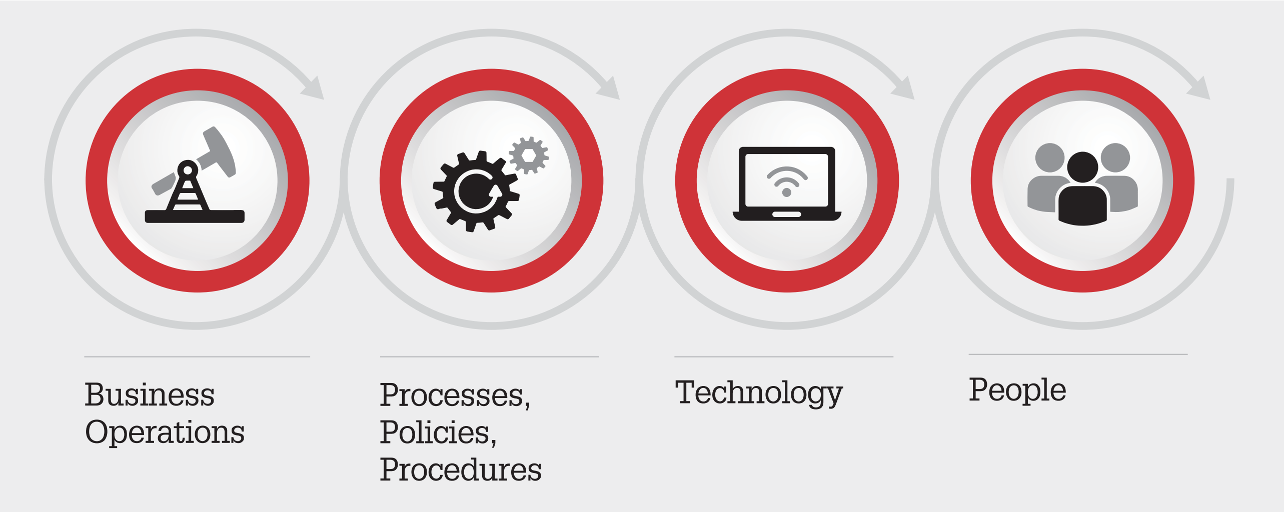
SCADA approach to production optimisation

Digitising our oilfields; Preserving, Protecting & Optimising Production

Trinity's pioneering new technology in T&T to optimise production wells using Weatherford's ForeSite® Production Optimization Platform 4.0 technology has been deployed on both Progressive Cavity Pumps ("PCP") and sucker rod pumps. The beneficial impacts include:

- Ability to automatically optimise well performance remotely
- Increase production, reduce Opex, better planning efficiency
- Decrease decline rates, increase reserves and add value

SCADA approach



Q&A (continued)

Is Trinity actively exploring for new resources?

BD: Trinity is well placed with a full cycle portfolio of production, development, appraisal and exploration potential. Trinity is in the opportune position of having gone through an exploration phase in the relatively recent past which yielded the successful TGAL discovery offshore on the east coast of T&T, with the TGAL-1 exploration well drilled in very close proximity (1200m) to our producing Trintes Field. There does, however, remain further exciting low risk infrastructure led exploration and appraisal potential within our offshore east coast acreage with a total Stock Tank Oil Initially In Place ("STOIIP") of c. 700 mmstb. Trinity continues to have positive dialogue with both Heritage and the Ministry of Energy and Energy Industries ("MEEI") (T&T's oil and gas regulator) in moving forward with the TGAL Field Development Plan ("FDP") and the wider Trintes area development. The Environmental Impact Assessment ("EIA") study commenced in February 2020. This is a prerequisite of, and on the critical path to, allowing the Group to progress the development to Final Investment Decision ("FID") when market conditions improve.

In addition, the acquisition of a 3D seismic data package over our Onshore acreage is currently pending. We are very keen to start the interpretation and analysis of this data to yield more optimum drilling locations, facilitating fully horizontal drilling, and also to identify the exploration potential of our blocks.

The Management's 2019 estimate of the Group's total 2P reserves (onshore and offshore) was 20.94 mmstb (2018: 24.49 mmstb), the reductions comprised total production of 1.1 mmstb and net revisions of 2.45 mmstb. This revision is largely a function of applying a more conservative oil price deck (assuming a price towards the lower end of the SPT paying range applies throughout the forecast) and reducing the number of potential infill development wells on the East Coast assets. For the third year running, more Onshore reserves were added, as the Subsurface Team continues to add locations to the Onshore drilling inventory.

Management's 2019 estimate of the Group's contingent 2C resources was 20.13 mmstb (2018: 18.77 mmstb), with the increase primarily reflecting the re-categorisation of some East Coast asset development drilling locations to 2C (previously carried as 2P in 2018) and the reallocation of TGAL shallow (G, H and M sands) resources to 2C (previously carried as 3C in 2018) with formal development solutions being finalised. This follows the high grading of a first phase development stage of the deeper TGAL reservoirs, as per the submitted FDP, targeting 10.41 mmstb (net) with more robust overall economics. These high graded 2C resources would be expected to convert to 2P following FID.

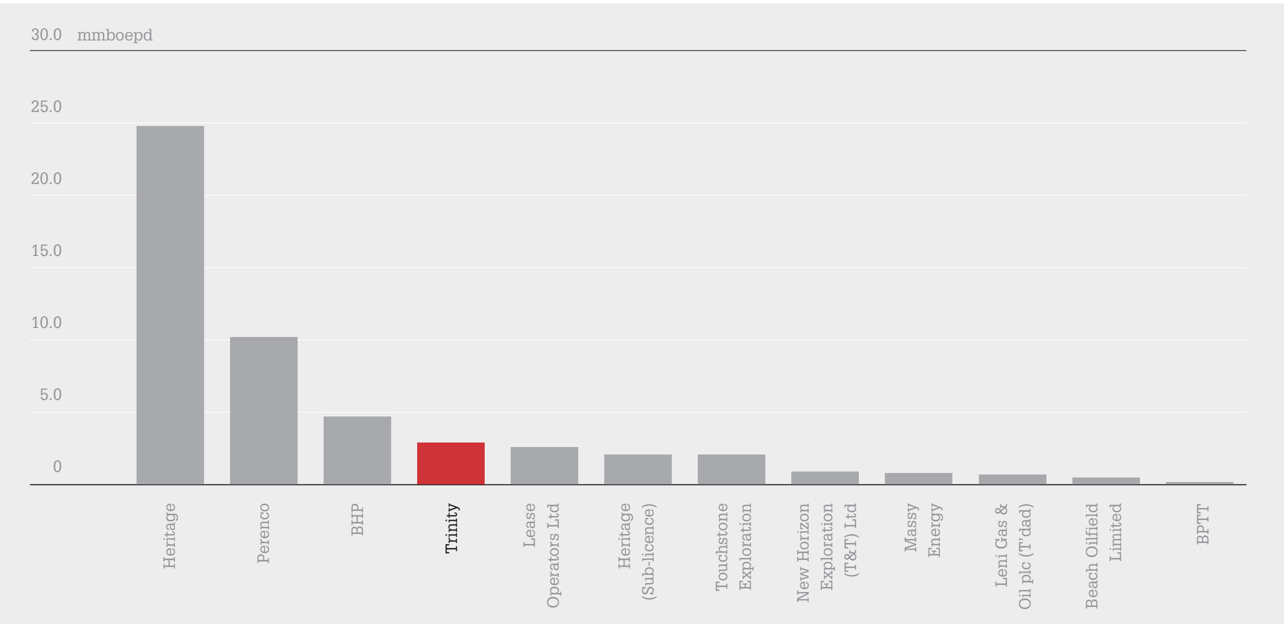
In aggregate, therefore, total 2P reserves and 2C resources amounted to 41.07 mmstb at 31 December 2019 (2018: 43.26 mmstb). So whilst we do have exploration potential across our portfolio, a clear growth trajectory is already in place with substantial existing reserves and resources to be monetised.

How will you monetise these reserves and resources to deliver value for shareholders?

JB: Given our low operating break-even, and that over 80% of operating costs are fixed, the more barrels we can produce the more we can leverage our cash generation potential. We have achieved this over the last few years by optimising offshore production and more recently by drilling new development wells Onshore. In the short-term our focus will remain on growing our Onshore production levels both organically and by accessing more acreage where opportunities arise.

The chart below shows the breakdown of T&T's crude oil production in 2019 by producer. In 2019, Trinity contributed 6% of total country oil production (2018: 5%). The environment is ripe for mid-cap independents to monetise stranded reserves and to consolidate to gain economies.

2019 Crude Oil Production



BD: Trinity is ideally placed and poised amongst the top five largest T&T crude oil producers and Trinity is focused on developing its reserves and resources with the medium term objective of increasing its Onshore and offshore production from Q1 2020 average production levels of 3,291 bopd to over 7,500 bopd. It is well placed to achieve this, in the right economic environment, with the Phase 1 offshore development on the Galeota licence having the potential to add additional peak production of 4,000 (net) 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 FID at the earliest opportunity, once market conditions improve. The First Phase currently contemplates the installation of a low cost eight to twelve well conductor supported platform ("Echo"), a new pipeline from Echo to shore, with the existing Trintes platforms tied in, and "T" sections installed for the potential development of TGAL NE and Trintes SW 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 Trintes 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.

JB: Trinity is continuing to have positive discussions with both Heritage and the MEEI on securing improved licence and commercial terms on which it can take the development of the Galeota licence forward. It is also worth noting that a large proportion of Trinity's tax loss position of USD 240.2 million (YE 2019) can be applied to the Galeota field development, which would further underpin the attractive economics of the development.

What is Trinity doing to ensure appropriate Environmental, Social and Governance ("ESG") measures and practices are in place?

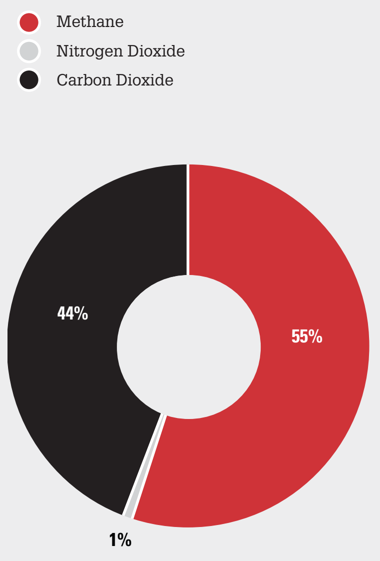
BD: We measure our performance not only in terms of our financial and production delivery, but also now measure our business outputs in terms of environmental and social performance. We are committed to continue to operate all of our assets in a safe and responsible manner, to ensure the safety of employees and to minimise the potential risk to the environment. During 2019, we continued to prioritise Health, Safety Security & Environment ("HSSE") and the well-being of our people while promoting safe behaviours among all stakeholders. The dedication, hard work and expertise to deliver continued growth from our portfolio of 1,174 wells - 284 of which were active at the end of 2019 (2018: 216) - across nine licences and multiple reservoirs has required a huge effort from those involved. As such, we remain extremely grateful to our employees and the continued support of the supply chain, with whom we look forward to continue working alongside as we build strong relationships with all of our stakeholders.

Complementing Trinity's commitment to delivering its production targets safely, we are assiduously pursuing our ESG responsibilities to ensure that our carbon footprint is reduced. Trinity has established its baseline for emissions since 2017 and will be embarking on an establishment plan during 2020 to ensure that we become a more efficient and cleaner business. Specific work plans in place 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 our understanding of our 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 of the increased usage of technology.

Trinity's GHG Contributions

Trinity's total GHG emissions, as per the last survey conducted in 2017, reported 0.02 million metric tonnes ("mt") per year.

Trinity GHGs of Concern



Asset	Sources of GHGs	Trinity GHGs of concern
Platforms	Fugitive Emissions, Test Tanks, Crude Oil Tanks, Generators	Methane
Galeota Tank Farm	Fugitive Emissions Storage Tanks and Generators	Methane Nitrogen Dioxide Carbon Dioxide
Land and West Coast Blocks	Fugitive Emissions Operations, Storage Tanks & Generators	Methane
Workover, Swabbing and Drilling Rigs	Engines	Carbon Dioxide

Q&A (continued)

JB: As a ratified signatory to the Paris Agreement, T&T has committed to its Nationally Determined Contribution ("NDC") by an overall reduction in cumulative emissions from its three main emitting sectors (power generation, transport and industry) of 15% by 2030. Trinity assessed Scope 1 Emissions in 2017 during the application process for the Air Pollution Source Registration and developed a Waste Inventory Template using our FZ-2 Field as the pilot location.

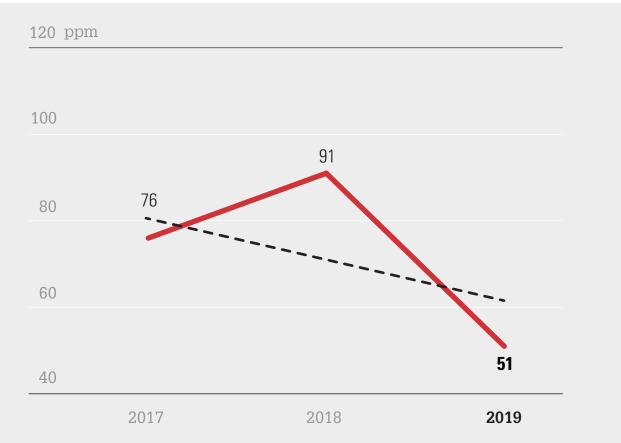
Trinity's Effluent Contributions

2017 – 2019 Pollution Parameters:

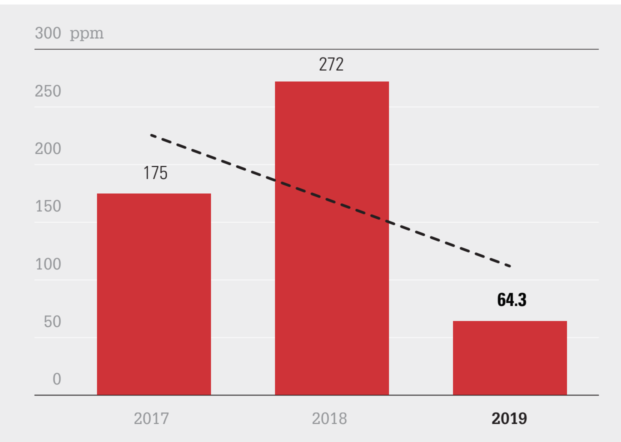
> Significant improvement in our Total Petroleum Hydrocarbons ("TPH") and Total Oil and Grease ("TOG") metrics
> Engineering and Administrative Controls
> Effective at low cost (Buffer Tanks installation)
> Currently negated the Reverse Osmosis Initiative

To date Trinity has demonstrated conformance to the Environmental Management Authority of Trinidad and Tobago ("EMA") & MEEI guidelines and Trinity will continue to implement low cost initiatives and conduct comprehensive reviews of all field instructions for better management of all effluent discharge.

TPH Average



TOG 3 year summary



What is Trinity's approach to climate change?

BD: Since I'm an earth scientist, let me address our methods of adaptation to climate change with consideration to two main areas:

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 surges and flooding (which are 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. I recall 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 Trintes 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 allow for an increase in unmanned operations which will allow for a more cost effective and efficient infrastructure operation that will equip Trinity to better withstand changing weather patterns.

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 liquefaction (soils), 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. There is no way to always predict nature. However, Trinity has implemented Disaster Management Plans to deal with these types of events should they occur in our fields and 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.

JB: Our methods to mitigate climate change are an extension of our ESG approach previously mentioned:

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.

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. Trinity is also 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.

How has COVID-19 impacted Trinity?

BD: Our principal priority during the global pandemic is on the safety and health of our people so we have put in place a full suite of measures to achieve this including regular and updated advisories, enhanced hygiene practices and full contingency plans should any team member be exposed to the virus. In light of the first confirmed case in T&T, Trinity implemented Work From Home ("WFH") practices for all but essential field operators and these are working 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 operations have not, to date, been negatively impacted by COVID-19 and have, by law, been classified an essential business and therefore 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 37 to 44 for further details.

JB: In Q1 2020 onwards to Q2 2020, oil prices have fallen significantly due to fears of the spread of COVID-19 and its continuing potential impact on the global demand for oil. The current 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 new Management's measures took effect in 2016. The fact that the Group continues to accrete cash at lower oil prices is testament to our financial discipline and our lean business model putting us in a highly resilient position. That said, a protracted period of realisations at lows of c. USD 20.0/bbl or below would start to erode cash balances. We have taken immediate actions to reduce Opex and G&A costs with further measures being put in place. This, in conjunction with only incurring essential Capex spend, means the Group is confident it can maintain sufficient liquidity and cash through 2020 and H1 2021. Refer to the Financial Review - Events since year end on page 36 and the Directors' Report - Going Concern on pages 67 to 68 for further details.

What other issues are affecting the regulatory and fiscal landscape in T&T?

BD: It's worth reiterating that T&T is a significant hydrocarbon producer being the seventh largest exporter of LNG in the world and the largest oil and natural gas producer in the Caribbean. However, declining domestic crude oil production has meant that there has been diminishing economic rents from taxes and royalties. It is therefore in all stakeholders' interests to provide a more conducive fiscal environment for crude oil production to increase and to maximize the reserves in the ground.

Trinity currently accounts for c. 6% of all crude oil production in T&T (as noted previously) and we are confident in our ability to deliver continued production growth. Having established a locally driven, efficient and low-cost operating model, Trinity will work alongside Heritage, wherever possible to help facilitate efficiency drives and production growth in T&T with the resultant economic benefits for all citizens and stakeholders.

JB: Whilst we have actively designed our business to be robust and to generate FCF positive across a wide range of oil prices, our ability to leverage on these efforts and deploy greater investment would be greatly enhanced by reform of the regressive SPT regime.

The operating environment in T&T has been greatly enhanced by the establishment of Heritage. Whilst pre-COVID-19 this led to improved communications and co-operation, the benefits are now more apparent during our industry's national effort to deal with the current crisis. Both Heritage and the MEEI have taken leading roles, with an extremely open and collaborative approach, and the learnings from the current environment has the potential to create a scenario that will lead to a national environment more conducive to oil producers.

Will Trinity be impacted by the withdrawal of the UK from the European Union ("EU") ("Brexit") in any way?

BD: I'm a born Trinidadian but lived in the UK most of my life with dual citizenship and I don't feel torn about the situation. My viewpoint is that T&T and the Caribbean is rich in natural resources with vast expertise, skills and labour and as such we are in the main self-sufficient, so are not reliant or significantly impacted by any trade implications that may take place in the UK due to Brexit.

JB: I was born in Trinidad and I myself have lived and worked in the UK for a period of time. Trinity is 100% T&T focused, the main impact to Trinity will be minimal exposure and in the event of any resultant foreign exchange risk from Brexit. We have a nominal proportion of costs in GBP in comparison to the TTD and USD, which we earn directly from our crude oil revenues. Our supply chains are effectively managed and we have long-standing strategic relationships built with stakeholders over the years for reassurance so we don't expect any impact of note. However, as the UK looks to refocus and strengthen its trading ties beyond Europe there are potential opportunities to make use of various export financing initiatives.

Q&A (continued)

What are the Board's priorities for Trinity for the rest of 2020 onwards to 2021?

BD: This time last year, our aim was to build on our stable base production, add well inventory and execute an investment programme that included technological step-outs whilst maintaining controls on financial and operational costs and HSSE. The Group managed to deliver on that initial programme, resulting in continued improvement in our operational performance and KPIs as per pages 28 to 29. We are well placed to continue to grow organically but also positioned to make the most of other development opportunities that may arise. We are assured that our locally led Business Model is well suited to the future based on our strong relationships with Heritage and with other partners on the ground in T&T.

JB: Trinity's aim is to position itself as the leading independent producer in T&T on the AIM. To achieve this, our strategy is simple: to retain the integrity of the core producing proved 2P reserves base, to continue to grow production safely, to efficiently deliver profitable operating returns and to prudently convert our significant 2C resources to 2P reserves and future inventory.

Our toolbox provides the means to preserve as well as grow and the resilience of our Business Model means we face the future with cautious optimism. We expect a return to growth once we move on from the tragedies of COVID-19 and oil prices begin to recover. In the meantime, we are committed to preserving and delivering value for all our stakeholders and with our robust finances and local, highly efficient model, we are ideally positioned to take advantage of opportunities that may arise.

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 2020 and beyond. In 2019, 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 in T&T 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 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 Bridglalsingh
Managing Director

12 May 2020

Forest Sands, WD-2 Block Palo Seco

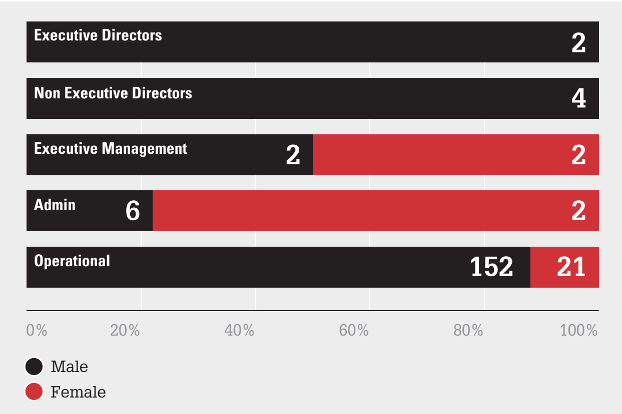
Outcrop of the prolific producer, the Forest Sands in Trinity's Onshore WD 2 Block, Palo Seco located in the Southern Basin of Trinidad. Earth Scientist Bruce Dingwall, CBE demonstrates the interbedded nature and grain size variation of the sandstones during a field site visit. At this locality, the Forest Sands are Upper Miocene to Lower Pliocene in age and deltaic in origin. The American Petroleum Institute ("API") gravity of crude from these sands vary between 22° and 27° and porosities.

Operational Review

Our People

Trinity's workforce stood at 214 (2018: 215) at the year-end 31 December 2019 with 78% (166) male and 22% (48) female employees. Our employees are located both in the United Kingdom ("UK") and T&T, with the majority (97%) based in T&T at our core operations.

Gender Breakdown



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

HSSE KPI's

Trinity continues to place HSSE at the forefront of our operations as we strive towards further improving our safety performance by a continued focus on training, monitoring and measurement, ongoing reviews of our internal controls and implementing corrective action when necessary.

The Board is fully apprised of the Group's HSSE performance via updates at each Board meeting and from 2020 onwards this will be done on a monthly basis. The HSSE report is considered at each Board meeting and is usually the first matter considered on meeting agendas.

Trinity continues to build its HSSE management system as per our Safe to Work ("STOW") T&T certification attained in February 2018 from the Energy Chamber of T&T ("ECTT"). This certification provides the assurance that our 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. The internal audit process for the planned recertification inspection in Q1 2020 was completed in Q3 2019. However, due to the COVID-19 pandemic, the ECTT has deferred all audits for a three month period effective 1 March 2020 and so Trinity is now expected to be undergoing recertification at a later date in 2020.

Notwithstanding our 2019 achievements, in 2020 Trinity intends to continue its focus on sustaining and improving our HSSE management system to ensure that we deliver our production targets safely and efficiently with the goal of becoming ISO 45001: 2018 compliant by Q2 2021.

HSSE KPIs

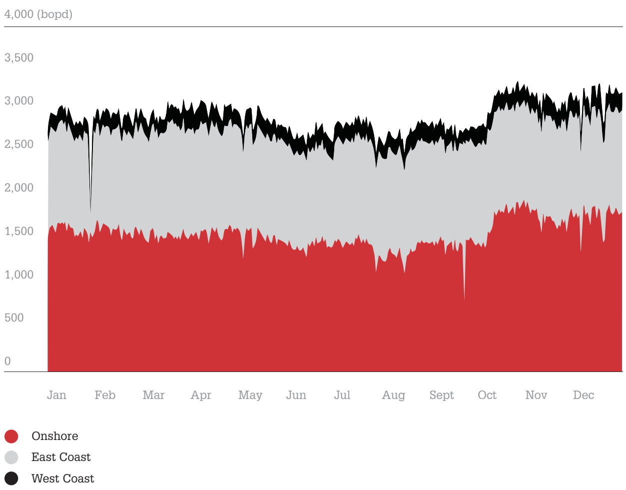
	2019	2018	Change (%)
Leading Indicators			
Start Cards[1]	**11,154**	6,054	▲ 84%
Training Hours[2]	**3,364**	2,718	▲ 24%
Man Hours[3]	**844,074**	773,000	▲ 9%
Lagging Indicators			
Reportable Environmental Incidents ("REI")[4]	**13**	7	▲ 86%
Lost Time Accidents ("LTA")[5]	**3**	2	▲ 50%

Notes:

1. 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 2019, we have noted an 84% increase in participation by all employees in our START Card program. Trinity also introduced a new initiative to report on the closure rate of all items identified in the START Card program and routinely informed the frontline employees on their participation to further enhance their performance.
2. Training hours recorded also saw an increase of 24% to 3,364 hours from 2,718 hours as safety remained as a top priority to Trinity to ensure that employees are competent and confident to execute all tasks in a safe and efficient manner.
3. Trinity recorded 844,074-man hours in 2019 (2018: 643,400 man hours), a 31% increase, mainly due to the 2019 work program which included onshore drilling as well as Onshore and offshore RCPs and WOs. Notable improvements in our HSSE reporting were achieved 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. REI's were mostly as a result of structural and equipment issues. Management has implemented additional HSSE procedures to avoid these occurrences through increased monitoring and maintenance of all assets, prioritise START Card content for equipment issues and engineering consultation of equipment design have all been put into effect. Apart from enhanced security measures and protocol. The Group has implemented upgraded spill prevention plan environmental risk assessments, revised operational and environmental standard operating procedures and processes along with supplemental Oil Spill Response training and engineering assessments.
5. LTAs occurrences were mostly caused by occasional non-compliance to HSSE Personnel, Protective, Equipment ("PPE") and other protective methods, awareness and non-compliance to procedures. EMT and HSSE are working towards building employee awareness through greater HSSE communication and education methods, enforcing START Card participation and closure. Management conduct regular weekly site visits across fields, increased training sessions, cycled emergency drills readiness supported by regulatory compliance and reporting and auditing have all been implemented.

Production

2019 Production



Average net production for 2019 was 3,007 bopd (2018: 2,871 bopd), an increase of 5%. A total of six new infill development wells, 23 RCPs, 122 WOs and reactivations along with swabbing activities were undertaken during 2019.

Trinity has been constantly striving towards establishing our base production at a higher level. This requires continuous improvements of our operations via the standardisation of procedures, innovative approaches in addressing emerging challenges and the application of new technologies to improve performance, reliability and efficiencies. An overview of these activities by asset is given below.

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 2019 net production from the Onshore assets was 1,613 bopd (3% increase from 2018 (1,563 bopd)), which accounted for 54% of total annual average production. The growth in year-on-year production averages is reflective of successfully maintaining base production and the impact of new infill development wells which were drilled during H2 and the full impact Q4 in particular (with absolute production growth higher than the annual average).

The drilling programme for 2019, which was completed on time and on budget, consisted of six Onshore wells and delivered:

1) an increase of 20% in EUR reserves above pre-drill prognosis (0.60 mmbbls vs 0.50 mmbbls)
2) an increase of 47% in estimated Net Oil Sand ("NOS") encountered over pre-drill prognosis (1653' vs 1125')
3) an increase of 54% in IP's over pre-drill prognosis (cumulative 650 bopd vs 421 bopd)

The strong performance of the 2019 drilling campaign was due to a more robust approach to sub-surface mapping and a more rigorous examination of reservoir performance which enabled more precise risking and ranking of potential reservoir targets. The drilling programme lasted 125 days and there were no Lost Time Injuries ("LTI's") over the period, a significant achievement by the drilling team and lead contractors.

The drilling programme included our first HAW, FR 1807, which has continued to perform satisfactorily:

1) The well had a peak production rate of over 110 bopd vs the 50 bopd typically expected from a conventional vertical well
2) It attained a maximum daily production rate of 118 bopd prior to the planned implementation of a gravel pack, a completion technique to arrest sand production
3) Diagnostic and remediation strategy to obtain improved production is underway

Trinity executed 22 RCPs Onshore for the period (2018: 16) as well as Onshore WOs and reactivations on 104 wells (2018: 113). This intensive work campaign successfully maintained base production providing a stable platform for production growth.

Going forward, dependent on the prevailing macro environment, the Group intends to continue with development activities via additional infill development drilling (particularly of additional HAWs), the restocking of RCPs, WOs, and reactivations and swabbing on the current well stock to maintain our production and provide for further growth.

East Coast Assets

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

Average 2019 net production from the East coast was 1,205 bopd which accounted for 40% of total annual average production. This represented a 9% increase in production from the 2018 average net production levels of 1,110 bopd. The increase was largely as a result of (i) improved power reliability and (ii) the successful execution of a just in time WO campaign that included the reactivation of four wells and continuous well optimisation.

In 2019, 13 restorative WOs were completed (2018: 23) which contributed to an upward trend in production. In 2019, production was derived from thirty four of a possible sixty one wellbores in the Trintes Field. The Trintes Field produced, via numerous pumping technologies across our well stock including; Mechanical Pumping Hydraulic Unit ("MPHU"), Hydraulic Diaphragm Electric Submersible Pump ("HDESP"), Electric Submersible Pump ("ESP") and Progressive Cavity Pumps ("PCP"). The team continues to explore further means of optimising production through the utilisation of downhole remote monitoring, chemical treatment for the prevention of scale formation and modified artificial lift designs to overcome challenging wellbore conditions.

Trinity continues to invest in stabilising production levels via better generator maintenance strategies and continued optimisation of alternative artificial lift technologies to augment production rates and maintain efficiency and cost effectiveness.

Operational Review (continued)

Noteworthy in the Trintes field was the safe completion of significant structural repairs without the two week planned field shut in. The main driver for the turnaround was the preventative repairs to the riser on Trintes Delta. Through the modification of the engineering concept this was accomplished without any hinderance to the field's production. We will continue to reinstate structural integrity across our platforms in 2020 as this is essential to our safe operations. Ongoing investment into increasing storage capacity continues with the construction of a new 10,000 bbls tank.

West Coast Assets

West coast production is from the Point Ligoure-Guapo Bay-Brighton Marine ("PGB") and Brighton Marine ("BM") fields.

Average 2019 net production from the West coast was 189 bopd which accounted for 6% of total annual average production. This represented a 5% decrease in production from 2018 average levels of 198 bopd and was mainly attributed to natural production decline.

There were 4 WO's (2018: 3) in the PGB field and 1 WO (2018:4) on the land-based wells in the Brighton Field which were undertaken with the intention of arresting declines and stabilising base production levels. Swabbing operations on the Brighton Marine offshore facilities commenced in Q4 adding an additional 17 bopd and chemical injection has allowed for stabilisation of production through the delay of wax formation in the wells. Minor infrastructural works were undertaken on the offshore platforms to maintain asset integrity and production.

These assets continue to generate a positive cash flow and, going forward, the land-based wells across both the PGB and BM fields will be targeted for reactivations in addition to minor facility upgrades to increase production. These assets will continue to be closely monitored as progressive steps are taken to further optimise production through swabbing and minimal well intervention at relatively low cost.

Reserves and Resources

A comprehensive management review of all assets has been concluded and has estimated the current 2P reserves to be 20.97 mmstb at the end of 2019, compared to the year-end 2018 reserve estimate of 24.49 mmstb. This represents a 14% decrease of 3.55 mmstb from 2018 levels inclusive of production for 2019 of 1.10 mmstb (2018: 1.09 mmstb). The reduction in reserves predominantly reflects the application of an oil price forward curve which was towards the lower end of the SPT payable range, as well as updated well numbers and decline curve analysis on planned infills and producing wells offshore the East Coast.

Onshore 2P reserves grew by 2% as a result of our ongoing continued investment in subsurface analysis to generate additional infill drilling, RCP and WO candidates. This follows on from a 26% increase delivered in 2018 and 45% in 2017. Management considers this to be the best estimate as at 31 December 2019 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 the reserves as detailed, by asset area, in the following table:

Unaudited 2019 2P Reserves

Asset Net Oil Production	31 December 2018 mmstb	Production mmstb	Revisions mmstb	**31 December 2019 mmstb**
Onshore	7.30	(0.59)	0.72	**7.43**
East Coast*	14.80	(0.44)	(3.09)	**11.27**
West Coast	2.39	(0.07)	(0.08)	**2.24**
Total	**24.49**	**(1.10)**	**(2.45)**	**20.94**

Note(*):

i. East Coast 2P resource change primarily reflects moving, after review, two wells to contingent resources and changes to certain infill well decline profiles. Trinity has further risked the production profiles to reflect reservoir performance from more recent drills, RCPs and WOs which results in a more cautious assessment of initial flow rates, production profile declines and ultimately lower EUR.

ii. Changes to economic limit testing for the asset YE 2018 vs YE 2019 also impact the Trintes 2P position; Trinity YE 2018 oil price deck used did not trigger SPT whereas that used in YE 2019 triggers SPT over the life of the Trintes asset.

The best estimate of 2C resources is estimated by Management at 20.13 mmstb (2018: 18.77 mmstb). The positive movement of 1.36 mmstb in 2C resources primarily reflects the re-categorisation of some infill development drilling locations to 2C (previously carried as 2P in 2018) and the reallocation of TGAL shallow (G, H and M reservoirs) resources to 2C (previously carried as 3C in 2018).

Unaudited 2019 2C Resources

Asset	31 December 2018 mmstb	Revisions mmstb	**31 December 2019 mmstb**
Onshore	1.50	0.35	**1.85**
East Coast	16.38	0.90	**17.28**
West Coast	0.89	0.11	**1.00**
Total	18.77	1.36	**20.13**

Unaudited Summary of Reserves and Resources

at 31 December 2019

Asset	2P Reserves mmstb	2C Resources mmstb	2P Reserves and 2C Resources mmstb
Onshore	7.43	1.85	**9.28**
East Coast	11.27	17.28	**28.55**
West Coast	2.24	1.00	**3.24**
Total	**20.94**	**20.13**	**41.07**

EAST COAST

Trintes (Trinity: 100% WI)

On the East Coast, Trinity has an established production hub on the Trintes field with four offshore marine platforms; (Alpha, Bravo, Charlie & Delta) that have an aggregate of sixty one platform wells. Current 2P reserves underpin only the producing Trintes field. However, across the East Coast Galeota anticline licence area, Management estimates total gross STOIIP of over 700 mmstb of which only 249 mmstb of STOIIP is mapped against the Trintes Field. Trintes currently booked East Coast 2P reserves of 11.27 mmstb therefore represents an incremental recovery factor of 4.5% with a further 2.77 mmstb (or 1.1%) booked within contingent resources.

Galeota (TGAL) Field Development Plan (Trinity: 65% WI)

The TGAL area lies in the Galeota Licence and is Fault Block 6, an updip panel to the north east of Trintes Field, confirmed as being oil bearing in all major reservoir horizons by the TGAL-1 exploration well with an internal best estimate STOIIP of 186 mmstb. The FDP (submitted in November 2018) 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.

Some of the highlights of the proposed Fault Block 6 Development include:

- An unmanned platform with minimal top-side design (Platform Echo)
- 25-year design life
- Drilling with the use of a jack-up rig
- A new pipeline from Platform Echo to shore
- Subsea power cable from shore to Platform Echo
- First oil estimated being produced by H1 2022, subject to prevailing market conditions and peak production estimated at 5,800 bopd
- 2C resources of up to c.24.18 mmstb gross (14.51 mmstb net). The net 2C figure is inclusive of 10.41 mmstb being developed by the new platform, and 4.1 mmstb for the shallow resources that after review have moved back into 2C (was re-categorised YE 2018 from 2C to 3C)
- At FID Trinity anticipates the net 2C resources developed by the Platform Echo solution would be reclassified as 2P reserves

During 2019 works progressed (and are continuing) on various pre-FEED studies to improve the topside and other aspects of hardware design. Of equal importance, the environmental permitting process was advanced with submission of the application and all additional information requested by the Environmental Management Authority of Trinidad and Tobago (“EMA”), during 2019. The EIA which is a key item on the critical path to FID, is currently underway.

Financial Review

KPI's

The Group was profitable at an operating level throughout 2019 with a 14% increase in Adjusted EBITDA to USD 21.8 million (2018: USD 19.2 million), a year-end cash balance of USD 13.8 million (2018: USD 10.2 million) and net cash plus working capital surplus of USD 17.3 million (2018: USD 18.1 million). A summary of the year-on-year operational and financial highlights are set out below:

		FY 2019	FY 2018	Change %
Average realised oil price[1]	USD/bbl	58.1	59.8	▼ 3
Average net production	bopd	3,007	2,871	▲ 5
Annual production[2]	mmbbls	1.10	1.05	▲ 5
Revenues	USD million	63.9	62.6	▲ 2
Operating Profit before SPT & PT	USD million	10.3	6.7	▲ 54
Adjusted EBITDA[3]	USD million	21.8	19.2	▲ 14
Adjusted EBITDA[4]	USD/bbl	19.8	18.3	▲ 9
Adjusted EBITDA margin[5]	%	34	31	▲ 11
Adjusted EBITDA Per Share - Diluted[6]	US cents	5.3	5.4	▼ 2
Adjusted EBITDA after SPT & PT[7]	USD million	13.9	12.8	▲ 9
Adjusted EBITDA after SPT & PT[8]	USD/bbl	12.6	12.2	▲ 4
Adjusted EBITDA after SPT & PT Per Share - Diluted[9]	US cents	3.4	3.6	▼ 6
Consolidated operating break-even[10]	USD/bbl	26.4	29.0	▼ 9
Cash balance	USD million	13.8	10.2	▲ 35
Net cash plus working capital surplus[11]	USD million	17.3	18.1	▼ 4

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 DD&A, non-cash SOE, ILFA and hedge costs
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).

Adjusted EBITDA Calculation

Adjusted EBITDA is a non-IFRS measure 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 growth and underlying operational and financial performance.

	2019 USD MM	2018 USD MM
Operating Profit before SPT & PT	**10.3**	6.7
DD&A	**9.8**	10.7
SOE	**1.0**	0.7
ILFA	**0.6**	-
FX loss/(gain)	**0.1**	(0.0)
Other Non-Cash Expenses (Hedge Costs)	**0.1**	1.1
Adjusted EBITDA	**21.8**	19.2
Less: SPT & PT	**(7.9)**	(6.4)
Adjusted EBITDA after SPT & PT	**13.9**	12.8
Expressed in US cents		
Adjusted EBITDA per Share - diluted	**5.3**	5.4
Adjusted EBITDA after SPT & PT per Share - diluted	**3.4**	3.6

Note

See Note 23 to Consolidated Financial Statements – Adjusted EBITDA for further details on pages 118 to 119.

2019 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		2015	2016	2017	2018	2019
Realised Price	USD/bbl	45.5	39.4	48.6	59.8	**58.1**
Production						
Onshore	bopd	1,601	1,343	1,347	1,563	**1,616**
West Coast	bopd	312	190	212	198	**185**
East Coast	bopd	983	1,009	961	1,110	**1,208**
Consolidated	bopd	2,896	2,542	2,519	2,871	**3,007**

Operating Break-Even[1]

		2015	2016	2017	2018	2019[4]	2019[5]	IFRS 16 Impact
Onshore	USD/bbl	23.3	17.4	16.6	16.1	**16.4**	16.6	▼0.3
West Coast	USD/bbl	40.7	37.7	26.6	26.8	**32.4**	32.9	▼0.4
East Coast	USD/bbl	41.3	26.3	24.9	25.9	**21.9**	22.1	▼0.2
Consolidated[2]	USD/bbl	47.2	29.2	28.4	29.0	**26.4**	26.8	▼0.4
Metrics								
Opex/bbl - Onshore	USD/bbl	15.7	11.8	11.1	11.7	**12.1**	12.3	▲0.2
Opex/bbl - West Coast	USD/bbl	33.8	31.6	22.1	22.1	**26.9**	27.2	▲0.4
Opex/bbl - East Coast	USD/bbl	31.6	20.1	18.9	20.1	**17.1**	17.3	▲0.2
G&A/bbl – Consolidated[3]	USD/bbl	9.6	4.4	4.4	5.0	**5.1**	5.2	▲0.1

2019 was a significant year as production averaged over 3,000 bopd for the first time in five years with the benefits of the drilling of new development wells during 2018 and 2019. Of particular note from a financial standpoint is that operating break-evens were reduced with an aggregate of 9% to USD 26.4/bbl (2018: USD 29.0/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 maintenance of such a robust operating level break-even level reflects higher production volumes and lower combined expenses as detailed below:

> Overall Opex decreased by 8% to USD 16.4 million (2018: 17.8 million). This was largely a function of a lower WO programme, production optimisation and better well uptimes, re-negotiated terms of the supply/ personnel vessels and port rental and a partial reduction based on the adoption of the new leases standard IFRS 16.

> G&A costs (which excludes non-cash SOE and FX gain/loss) increased by 8% to USD 5.6 million (2018: USD 5.2 million). This is in relation to increased staff costs, levies and corporate expenses.

Notes

1. Operating break-even: The realised price where Adjusted EBITDA for the respective asset or the entire Group (Consolidated) is equal to zero.
2. Consolidated operating break-even: Includes G&A but excludes SOE and Foreign Exchange ("FX") gain/loss.
3. G&A/bbl – Consolidated: Excludes SOE and FX gain/loss.
4. Metrics post IFRS 16 adoption effective 1 January 2019 which impacted the Operating Break-Even Levels and Opex/bbl & G&A/bbl Metrics
5. Metrics pre-IFRS 16 adoption effective 1 January 2019 which impacted the Operating Break-Even Levels and Opex/bbl & G&A/bbl Metrics

Review of Financial Statements

Trinity and its subsidiaries ("the Group's") consolidated financial information has been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") Interpretations Committee ("IFRS IC") interpretations as adopted by the European Union ("EU") and 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 87 to 99. The Group has adopted additional accounting policies in the year ended 31 December 2019 as set out in Note 1 of the Financial Statements on page 85.

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". For the reasons stated above, Adjusted EBITDA excludes the impact of DD&A, non-cash impact of SOE, ILFA and oil price hedges and these are summarised on the face of the Consolidated Income Statement as well as being described in Note 23 to the financial statements.

Results for the year

Revenue growth from increased production despite lower oil price realisations: The combination of a 5% increase in production to 3,007 bopd (2018: 2,871 bopd) and a 3% decrease in average oil price realisations to USD 58.1/bbl (2018: USD 59.8/bbl) resulted in a 2% increase in revenues to USD 63.9 million (2018: USD 62.6 million).

Successful Capex work programme: USD 12.7 million (2018: USD 12.5 million) incurred in predominantly production related and infrastructure expenditure. 2019 saw the Group complete six Onshore development wells, 22 Onshore RCP's and the second RCP on the East Coast since acquiring the asset in 2013. Infrastructure Capex were also conducted across the assets to support the production initiatives. Capex included:

> USD 7.4 million New Wells (six wells, of which one HAW and five conventional)
> USD 2.8 million Infrastructure Capex
> USD 1.3 million 23 RCP's
> USD 0.6 million Subsurface time-writing costs
> USD 0.6 million Exploration and Evaluation ("E&E") assets

Further growth in operating margins and increased operating profitability: The Group maintained its focus on growing margins and increasing operating profitability which is evident in a 14% increase in Adjusted EBITDA to USD 21.8 million (2018: USD 19.2 million) and 9% lower consolidated operating break-even price of USD 26.4/bbl (2018: USD 29.0/bbl), while increasing Adjusted EBITDA Margin to 34% in 2019 (2018: 31%). On a per barrel basis this represents an 8% increase in Adjusted EBITDA to USD 19.8/bbl (2018: USD 18.3/bbl) and a 2% decrease in Adjusted EBITDA per share (diluted) to 5.3 cents (2018: 5.4 cents) due to the increased average share count.

SPT & PT: 2019 and 2018 saw average oil price realisations above USD 50.0/bbl, thereby being in the SPT paying range. As a result, SPT of USD 7.4 million was incurred in 2019 (2018: USD 7.1 million). For each quarter that realised oil prices are higher than USD 50.0/bbl SPT is charged at rate of c. 18% and c. 26% on net revenues (gross revenue – royalties) on Onshore and Offshore assets respectively. The headline SPT rates are, however, partially mitigated by Investment Tax Credits ("ITC") of 20%. The GORTT increased the ITC from 20% to 25% effective 1 January 2020.

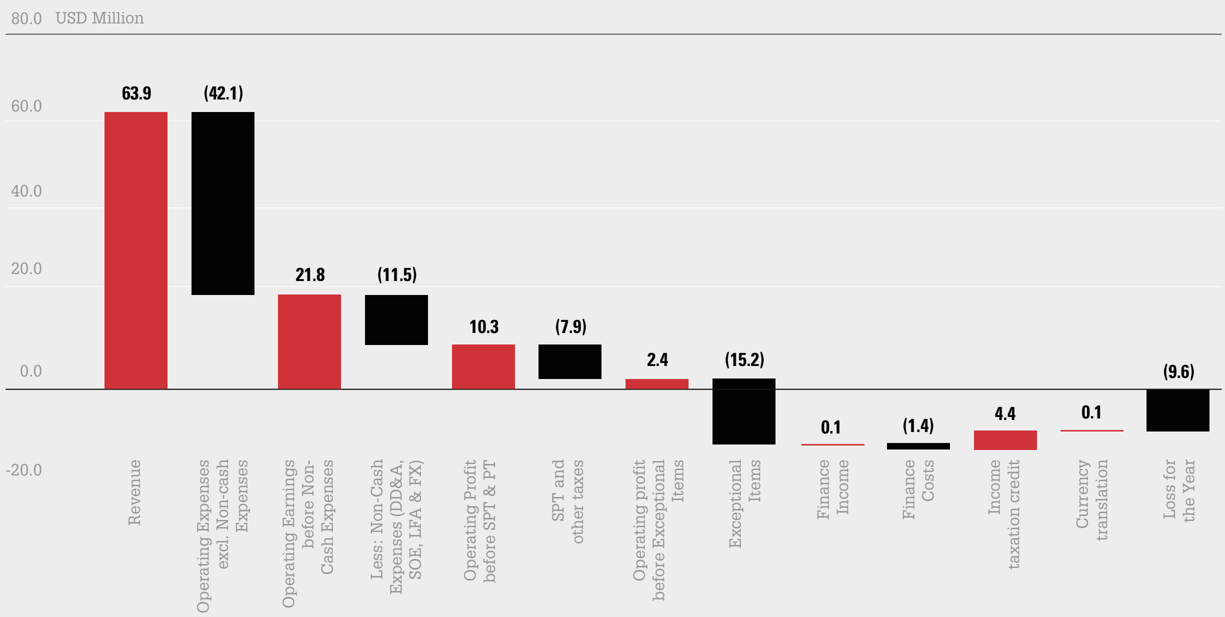
Impairment losses (non-cash): during the year the Group recorded property, plant and equipment impairment losses on its oil and gas assets of USD 15.2 million (2018: USD 2.6 million) within exceptional items. The carrying values of certain of the Group's cash generating units were deemed to be higher than their recoverable amount measured utilising a discounted cash flow approach to fair value less cost of disposal. This was largely driven by the application of a more conservative oil price forward curve at 31 December 2019, on account of it falling towards the lower end of the SPT payment range. The Group also recognised USD 0.6 million (2018: nil) of impairment losses on carrying values held within trade and other receivables due to expected credit loss following the adoption of IFRS 9 financial instruments.

Increased Operating Cash Flows: OCF for 2019 increased by 9% to USD 13.1 million (2018: USD 12.1 million). Net OCF, after changes in working capital movements and income taxes, was USD 16.8 million (2018: USD 5.2 million). The increase is mainly a function of a USD 11.6 million year-on-year working capital movement from the prior year, which was largely attributable to the receivables due from Petrotrin being paid in 2019 rather than 2018. Stripping out the decrease in receivables attributable to the Petrotrin receipts during 2019, the like for like OCF after changes in working capital would have been USD 10.6 million vs USD 11.8 million for 2018.

Increased Financial Strength: The Group's cash balances at year end stood at USD 13.8 million (2018: USD 10.2 million). The higher cash balance is as a result of a strong operating performance and movement in working capital balances more than offsetting Capex of USD 12.7 million (2018: USD 12.5 million). In aggregate, the resultant net cash plus working capital surplus stood at USD 17.3 million (2018: USD 18.1 million). This financial strength and flexibility was further enhanced during the year by putting in place an overdraft credit facility with CIBC for USD 2.7 million which was undrawn at the 2019 year end.

Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income



1. Operating Expenses excluding Non-Cash Expenses: Royalties, Production costs ("Opex'), General & Administrative Expenses ("G&A") and Other Expenses
2. Non-Cash Expenses: Depreciation, depletion and amortization ("DD&A"), Share Option Expense ("SOE"), Impairment losses on financial assets ("ILFA") and FX loss

Revenues

Crude oil sales revenues of USD 63.9 million (2018: USD 62.6 million).

Operating expenses

Operating expenses decreased by 4% in 2019 to USD (53.6) million (2018: USD (55.9) million) and comprised:

Cash Expenses: USD (42.1) million (2018: (45.3) million):

> Royalties of USD (20.0) million (2018: USD (20.4) million) have decreased due to the new wells from the 2018 and 2019 drilling campaign attracting 0%-10% ORR.

> Opex* of USD (16.4) million (2018: USD (17.8) million) have decreased due to lower costs in relation to WOs, production optimisation and vessel and equipment.

> G&A* expenses of USD (5.6) million (2018: USD (5.2) million) have increased due to an increase in staff and corporate costs.

> Other expenses of USD (0.1) million (2018: USD (1.1) million) includes the impact of hedge costs in relation to the zero cost collar/put options implemented during 2019.

Note (*): The relatively modest impact on Opex and G&A of the adoption of IFRS 16 for leases is set out under Adoption of IFRS 16 Leases on pages 34-35.

Non-Cash Expenses: USD (11.5) million (2018: (10.7) million):

> DD&A of USD (9.8) million (2018: USD 10.7 million).

> SOE of USD (1.0) million (2018: nil).

> ILFA: USD (0.6) million (2018: nil).

> FX loss of USD (0.1) million (2018: nil).

SPT & PT

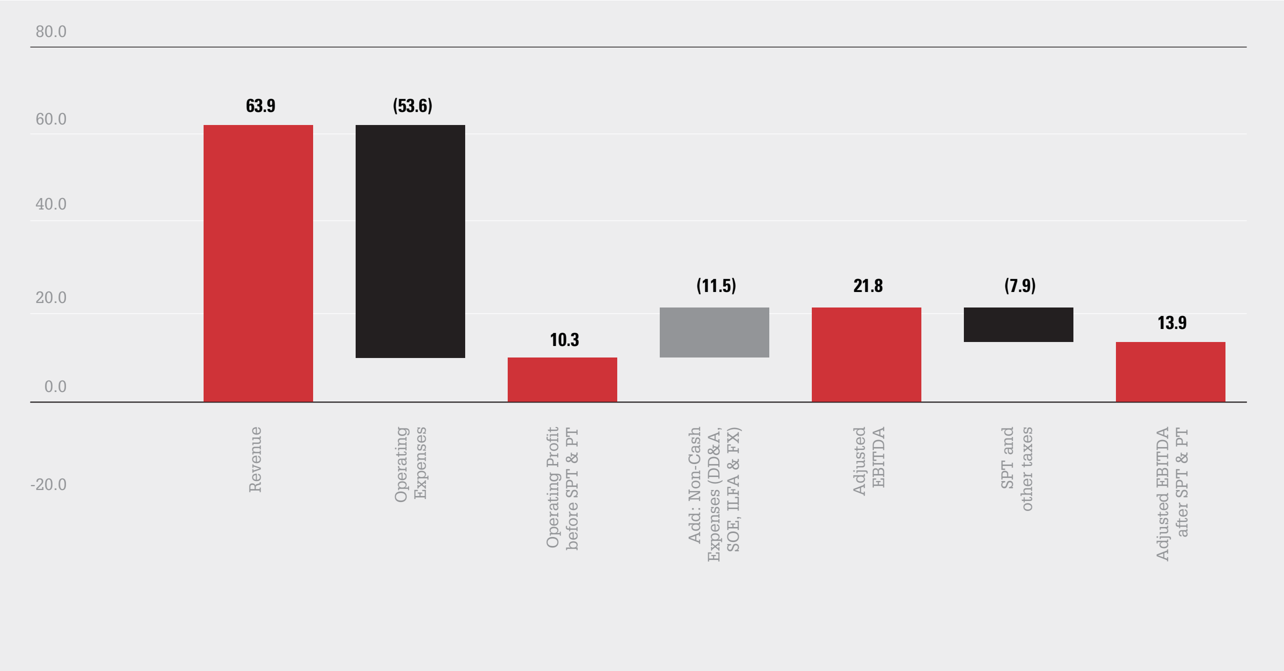
SPT & PT were USD (7.9) million (2018: USD (6.4) million) and comprised:

> SPT of USD (7.4) million (2018: USD (7.1) million) due to realised oil prices being above the USD 50.01/bbl SPT threshold.

> PT charge of USD (0.5) million (2018: USD 0.6 million credit). There is still no official guidance on the PT valuation method as it relates to oil and gas entities. The 2017 and prior obligations were waived during 2018 but the Group is still providing for the potential obligations arising in 2018 and 2019.

Review of Financial Statements (continued)

Adjusted EBITDA



The Group's reported operating profit before exceptional items was USD 2.4 million (2018: USD 0.2 million). Adjusting for non-cash expenses, the Group's Adjusted EBITDA after SPT & PT was USD 13.9 million (2018: USD 12.8 million) (further details below).

Exceptional items

Exceptional items were USD (15.2) million (2018: USD (2.3) million) related to Impairment of property, plant and equipment.

See Note 6 to Consolidated Financial Statements - Exceptional items for further details on page 105.

Finance Income

Finance income is solely related to interest income derived on short term investments USD 0.1 million (2018: 0.1 million).

Finance Costs

In 2019, finance costs amounted to USD (1.4) million (2018: USD (2.2) million) and comprised:

> Unwinding of the decommissioning liability USD (1.2) million (2018: USD (1.6) million).

> Interest on Leases USD (0.2) million (2018: nil).

> Interest accrued on the Convertible Loan Notes ("CLNs") nil (2018: (0.6) million).

See Note 7 to Consolidated Financial Statements – Finance Costs for further details on page 105.

Income Taxation

Income Taxation credit for 2019 of USD 4.4 million (2018: USD (1.3) million charge), and its components are described below.

> Increase in DTA of USD 3.4 million based on the increase in taxable profits expected in the next three years (2018: USD 1.8 million).

> Decrease in Deferred Tax Liabilities ("DTL") USD 1.4 million as the temporary difference between the accounting values of property, plant and equipment, intangible assets and tax values decreased compared to 2018 (2018: USD (3.1) million charge).

> Increase in Unemployment Levy ("UL") USD (0.4) million (2018: USD 0.0 million credit).

See Note 8 to Consolidated Financial Statements – Income Taxation for further details on page 106.

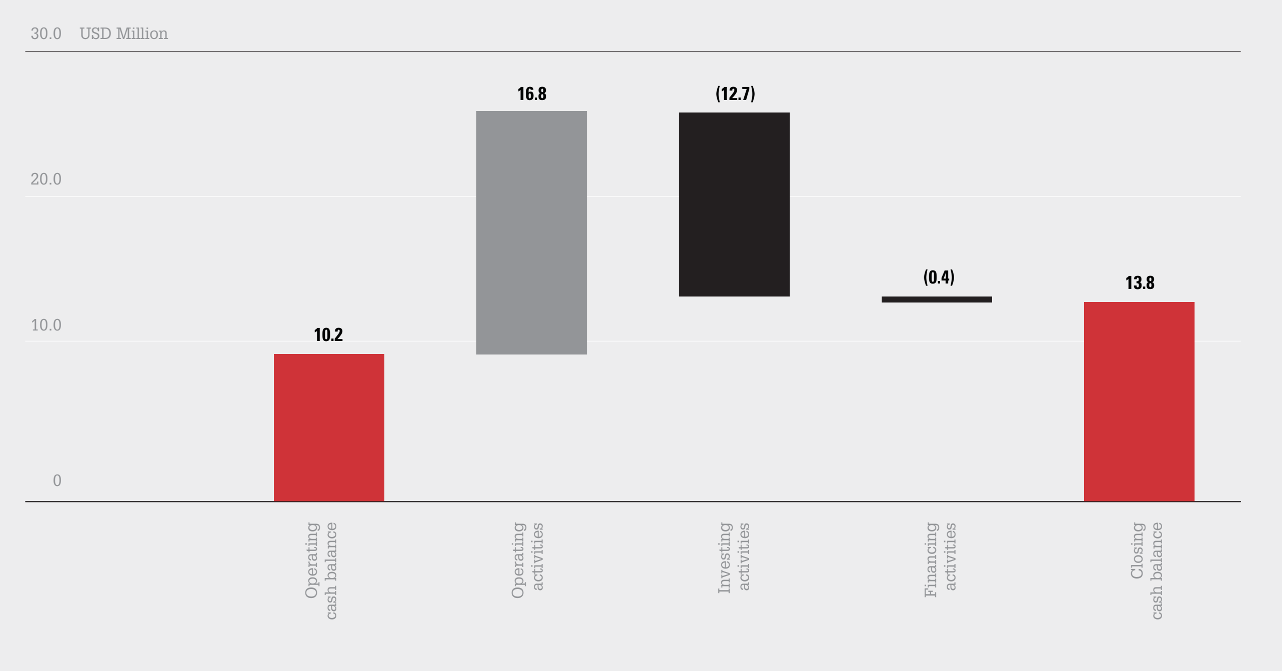
The Group's comprehensive post-tax loss for the period was therefore USD (9.6) million (2018: USD (5.3) million loss).

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, FX gain/loss and fair-valuing of oil price hedges.

The Group presents Adjusted EBITDA at USD 21.8 million and Adjusted EBITDA after SPT & PT at USD 13.9 million as it is used by Management to assess the Group's growth and underlying operational and financial efficiencies and judged to be a better measure of underlying performance.

Consolidated Statement of Cash Flows



Statement of Cash Flows

Cash inflow/ (outflow) from operating activities

OCF was USD 16.8 million (2018: USD 5.2 million):

> Operating cash flow (pre-working capital movements and income tax) of USD 13.1 million (2018: 12.1 million) reflected a reported Operating Loss before income tax of USD (14.1) million (2018: USD (4.1) million) less non-cash items totalling USD 27.2 million (2018: 16.2 million) principally comprising DD&A, impairment of Oil & Gas asset valuations, unwinding of Decommissioning provisions and SOE.

> Changes in working capital of USD 3.9 million inflow (2018: USD 6.8 million outflow), primarily as a result of the decrease in trade receivables compared to the 2018 year end.

> Current income taxation paid USD (0.3) million outflow (2018: USD (0.1) million outflow).

Cash (outflow) from investing activities

Cash outflow from investing activities was USD (12.7) million (2018: USD (12.5) million):

> Expenditure on property, plant and equipment for the year was USD (12.1) million (2018: USD (12.3) million) which mainly included six onshore development wells, 23 RCPs and infrastructure upgrades.

> Expenditure on exploration and evaluation assets USD (0.6) million (2018: USD (0.2) million).

Cash (outflow)/inflow from financing activities

Cash outflow from financing activities was USD (0.4) million (2018: USD 11.5 million inflow):

> Cash payment on leases USD (0.6) million (2018: nil)

> Finance income of USD 0.1 million (2018: USD (0.1) million in Finance costs.

> Repayment of CLN nil (2018: USD (0.8 million).

> Issuance of shares nil (2018: 12.4 million inflow).

Review of Financial Statements (continued)

Net Cash Plus Working Capital Surplus

All figures in USD million		FY 2019 USD MM Audited	FY 2018 USD MM Audited	FY 2017 USD MM Audited[1]
A:	**Current Assets**			
	Cash and cash equivalents	**13.8**	10.2	11.8
	Trade and other receivables	**9.3**	13.3	5.2
	Inventories	**5.2**	3.7	3.8
	Derivative Financial Instrument	**0.1**	-	-
	Total Current Assets	**28.4**	27.2	20.8
B:	**Liabilities**			
	Trade and other payables	**10.4**	9.1	10.1
	Lease liability	**0.6**	—	—
	Taxation payable	**0.1**	—	1.7
	Derivative Financial Instrument	**—**	—	0.8
	Total Current Liabilities	**11.1**	9.1	12.6
(A-B):	**Cash plus working capital surplus**	**17.3**	18.1	8.2

1. Current Liabilities excludes Provision for other liabilities

Adoption of IFRS 16 Leases

IFRS 16 is a new accounting standard effective 1 January 2019. This accounting standard supersedes IAS 17 Leases and results in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, Right of Use Assets ("ROU") and a financial liability to pay rentals are recognised. The only exceptions are short-term (less than twelve months) and low-value leases (less than USD 5,000).

The Group has adopted IFRS 16 from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the simplified transitional approach. On transition the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRS IC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

On adoption of IFRS 16, the Group has recognised ROU assets and lease liabilities in relation to Motor vehicles, Office buildings, Staff houses and Office Equipment. The following table sets forth the impact of the adoption of IFRS 16 on the condensed consolidated financial statements as well as non-IFRS measures.

1. Impact on Consolidated Statement of Comprehensive Income

(a) **Impact on Net Profit and Earnings per share:**

All figures USD million	IFRS 16	IAS 17	Difference
Expenses			
Opex	(16.4)	(16.9)	0.4
G&A	(5.6)	(5.7)	0.1
DD&A	(9.8)	(9.3)	(0.5)
Finance costs	(1.2)	(1.1)	(0.2)
	(33.0)	**(32.9)**	**0.1**
Total Comprehensive (Expense)/Income for the period	**(9.6)**	**(9.5)**	**0.1**
Earnings per Share	(0.02)	(0.02)	0.00

(b) **Impact on non-IFRS measures used by the Group:**

		IFRS 16	IAS 17	Difference
Opex	USD million	(16.4)	(16.9)	0.4
G&A	USD million	(5.6)	(5.7)	0.2
Total	USD million	**(22.0)**	**(22.6)**	**0.6**
2019 Metrics				
Opex	USD/bbl	14.8	15.4	(0.4)
G&A	USD/bbl	5.1	5.2	(0.1)
Adjusted EBITDA	USD million	21.8	21.2	(0.6)
Adjusted EBITDA	USD/bbl	19.8	19.3	(0.5)
Adjusted EBITDA After SPT & PT	USD million	13.8	13.3	(0.5)
Adjusted EBITDA After SPT & PT	USD/bbl	12.6	12.1	(0.5)
Group operating break-even	USD/bbl	26.4	26.8	(0.4)

2. Impact on Consolidated Statement of Financial Position

ROU and Lease Liabilities recognised in Balance Sheet:

All figures USD million	1-Jan-19	Depreciation	Lease Payment	Lease Interest	31-Dec-19
ROU recognised					
Non- current assets	0.5	(0.5)	-	-	1.4
	0.5	**(0.5)**	**-**	**-**	**1.4**
Lease Liabilities recognised as at 1 January 2019					
Current lease liabilities	0.2	-	(0.6)	0.2	0.6
Non-current lease liabilities	0.3	-	-	-	0.9
	0.5	**-**	**(0.6)**	**0.2**	**1.5**

Review of Financial Statements (continued)

Events since Year End

1. Hedging

The Company implemented two additional crude hedge options over the Group's monthly production on 3 January 2020 as follows:

Hedge	Floor	Cap	Strike Price	Production	Effective Date	Expiry Date
	USD/bbl	USD/bbl	USD/bbl	Monthly Barrels		
3-way Option	50.0	56.0	65.5	12,500	1-Jan-20	31-Dec-20
3-way Option	50.0	56.0	65.5	12,500	1-Jul-20	31-Dec-20

2. Petrotrin Legacy Receipts

There remains an outstanding payment due from Petrotrin for October and November 2018 crude oil revenues, with an amount outstanding of USD 0.5 million at the end of 2019 for which an Expected Credit Losses ("ECL") of USD 0.2 million was recognised. The Group received USD 0.1 million of these delayed payments on 7 February 2020, with the remaining USD 0.4 million still outstanding.

3. COVID-19 Pandemic and Oil Price Decline

The impact of the COVID-19 virus on the demand end for oil, and the inability of OPEC and Russia to agree sufficient supply curbs in a timely manner, has led to a significant decline in the oil price. WTI traded as high as USD 63.0/bbl in early January 2020, declining to USD 45.0/bbl as a result of reduced demand from COVID-19 in early March 2020, prior to the oil price war which subsequently drove prices lower than USD 20.0/bbl. On 12 April 2020, OPEC and Russia announced plans to reduce production output by nearly 10.0 mmbbls per day. However, concerns about storage capacity being exceeded led to oil-market history being made on 20 April 2020 when WTI prices dropped below zero for the first time (to minus USD 37.63/bbl). Although prices have since recovered somewhat, they remain below USD 30.0/bbl as at the last practicable date prior to approval of this Report on 12 May 2020, and there remains considerable uncertainty regarding oil price levels during the remainder of 2020, and possibly beyond.

The World Health Organisation ("WHO") officially declared the COVID-19 as a pandemic on 11 March 2020. Effective 22 March 2020, the GORTT closed T&T's borders to all international and national travelers via the air bridge and sea ports. Subsequently, the operations of only essential services were approved by the GORTT (which includes oil and gas companies within T&T).

The COVID-19 pandemic's impact on demand for oil, the subsequent fall in oil prices, and the potential operating disruption to oil and gas companies is an extremely challenging and evolving situation. Given the fluidity and significant volatility of these events, it is extremely difficult to predict their impact on the Group at this stage as the oil price environment is dependent on the interplay between global demand and supply, both of which are changing significantly. Nevertheless, having assessed the current impact of these various factors, and the potential impact of a prolonged economic downturn triggered by the COVID-19 pandemic, the Directors currently believe the Group can maintain sufficient liquidity and a positive cash balance, and remain in operational existence, for at least the next twelve months (see Going Concern – Note 1 to Financial Statements pages 87 to 88).

See below references for further details:

- *Q&A Section: Outlook on oil price on page 15 and COVID-19 impact on page 21.*
- *Risk Management and Internal controls - Outlook on oil price and COVID-19 impact on page 41*.

4. 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 short-medium term. The facility is a revolving overdraft credit available to Trinity which is repayable upon demand to CIBC. Interest is required to be paid monthly on the principal and currently attracts an interest rate charge of 2.7% (US Prime minus 6.3% per annum).

Risk Management and 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.

Operational Risks

Area	Risk	Mitigation
HSSE	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.	*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.*
	COVID-19 Pandemic Impact	
	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. 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 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.	*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.* *Trinity has addressed operational requirements given the pandemic situation as follows:* > *Implemented pre-access screening of all employees, contractors, sub-contractors and suppliers to anticipate suspected and potential cases* > *Business Continuity Planning developed for all assets to consider scenarios of suspected and confirmed cases*

Risk Management and Internal Controls (continued)

Area	Risk	Mitigation
	COVID-19 Pandemic Impact (continued)	
	Effective 22 March 2020, the GORTT closed T&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&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. As at 12 May 2020, T&T has had 116 confirmed cases, all of whom have been placed under quarantine for treatment, and 8 deaths. Noteworthy, on 1 May 2020 the University of Oxford published a research note that ranked T&T first on a list of countries based on their preparedness to lift physical distancing measures. Trinity had already, effective 13 March 2020, implemented work from home ("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 measurers may need to be put in place as and when required.	> *COVID-19 protocols implemented for staff to observe in conducting operations* > *Response Plans and drills conducted on all assets for the potential suspected case on duty* > *Continual contact with the Ministry of Health of Trinidad and Tobago ("MOH") and other health and emergency professionals* > *Sanitisation stations installed and heightened sanitisation implemented at all assets* > *Restricted Work at Offices* > *Reinforced WFH Policy where applicable for employees working remotely* > *Face to face meetings to be conducted as a last resort based on business needs (assessed by criticality)* > *Recommended usage of all communication networks and infrastructure implemented by the Group*
Production and Reserves Risk	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.	*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.*
	COVID-19 Pandemic Impact	
	The COVID-19 pandemic has the potential to impact production if global oil demand continues to decline which could lead to the loss of reserves. The estimation of proved oil and gas reserves involves subjective judgements and determinations based on available geological, technical, contractual and economic information.	> *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.* > *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.*

Area	Risk	Mitigation
	COVID-19 Pandemic Impact (continued) 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 and mines, 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. The Covid-19 pandemic has the potential to impact production if global oil demand continues to be subdued and oil prices fall to a level where production cannot be sustained as per COVID-19 Pandemic Impact on page 41.	> *Production risks are mitigated by production being spread over 284 currently producing wells throughout three distinct locations (Onshore T&T, Offshore East Coast T&T and Offshore West Coast T&T). These risks are further mitigated by production coming from multiple reservoirs and the deployment of a range of production methodologies.* > *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.* > *Risks to production levels from the COVID-19 pandemic are being mitigated through cost reductions with plans in place to bring break-evens down to align with oil prices and sustain positive cash balances.*
Development Risk	The Group is participating in certain development projects notably the TGAL offshore 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.	*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 development risk materialising. For larger development projects the Group would seek one or more partners.*

Risk Management and Internal Controls (continued)

Area	Risk	Mitigation
Counterparty/ Contractor Exposure	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.	*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.*
	COVID-19 Pandemic Impact	
	The declaration of COVID-19 as a global pandemic on 11 March 2020 created a massive disruption to global supply chains. Trinity has been monitoring the progress of the virus since early January 2020 and has deployed strategies to mitigate against and respond to resultant risks. These strategies include but are not limited to: > Dedicated resources to continuously assess the pandemic and evaluate evolving risks > Partnering with key stakeholders internal and external to the organisation to evaluate risks and responses > Leveraging on solid supplier relations > Re-evaluation of inventories to determine optimal buffer stock quantities > Develop, communicate and action Business Continuity Plans	*As the Group continues to navigate this period of uncertainty, Management are confident that our demonstration of agility, adaptability and alignment will place Trinity in an advantageous position as it relates to risk.*

Commercial Risks

Area	Risk	Mitigation
Oil Price Risk	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. This 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.	*Where and when appropriate the Group puts in place suitable hedging arrangements to 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.*
	2020 Russia-Saudi Arabia Oil Price War Post COVID-19 Outbreak Impact	
	The impact of the COVID-19 virus on the demand for oil, and the inability of OPEC and Russia to agree sufficient supply curbs in a timely manner, has led to a significant decline in the oil price. WTI traded as high as USD 63.0/bbl in early January 2020, declining to USD 45.0/bbl as a result of reduced demand from COVID-19 in early March 2020, prior to the oil price war which subsequently drove prices lower than USD 20.0/bbl. On 12 April 2020, OPEC and Russia announced plans to reduce production output by nearly 10.0 mmbbls per day. However, concerns about storage capacity being exceeded led to oil-market history being made on 20 April 2020 when WTI prices dropped below zero for the first time (to minus USD 37.63/bbl). Although prices have recovered somewhat, they remain below USD 30.0/bbl as at the last practicable date prior to publication of this Report, there remains considerable uncertainty regarding oil price levels during the remainder of 2020, and possibly beyond.	*The COVID-19 pandemic's impact on demand for oil, the subsequent fall in oil prices, and the potential operating disruption to oil and gas companies is an extremely challenging situation. Given the fluidity and significant volatility of these events, it is extremely difficult to predict the impact on the Group at this stage. Nevertheless, having assessed the current impact of these various factors, and the potential impact of a longer period of disruption from the COVID-19 pandemic, Management remain confident that the Group's comparatively strong financial position and the robust cost reduction measures pertaining to Capex, Opex and G&A which are being implemented should ensure it can ride out the current market challenges and be in the strongest possible position to return to growth in the medium term.*
Customer Concentration Risk	Whilst oil is an internationally traded commodity, Trinity currently sells 100% of its oil production to Heritage. 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&P licences (Galeota, Brighton Marine and PGB to third parties). Notably, all T&T Exploration & Production ("E&P) companies (also referred to as "E&Ps") have evergreen COSAs in place with Heritage, and thus all of Trinity's crude is sold to Heritage which gives rise to a customer concentration risk.	*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 production is unable to be purchased will be significantly challenging for Trinity, this scenario is seen as having a very low probability of occurring.*

Risk Management and Internal Controls (continued)

Area	Risk	Mitigation
Competition Risk and Cost Inflation	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. 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.	*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.*
Regulatory/ Fiscal Risk	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.	*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.*
	COVID-19 Pandemic Impact/ Responses Thus far the GORTT has not implemented any adjustments to the fiscal regime or taxation changes, pertaining to industry in general and the oil sector in particular. However, the GORTT has implemented the following: > Sought to drawdown on the Heritage and Stabilisation Funds in reaction to national emergency given the economy's heavy reliance on crude oil revenues (with the GORTT 2020 Budget based on USD 60.0/bbl oil price and recently revised to USD 40.0/bbl). > The GORTT indicated in press conferences on 23 March 2020 and 27 April 2020 that they were releasing VAT refunds less than TTD 0.5 million to aid companies with their working capital provisions > Instituted new payment systems for payment of taxes online	

Area	Risk	Mitigation
Cash Flow & Financing Risk	The ability to finance firm commitments, participate in the Group's developments (notably TGAL) and generally develop the Group's business depends upon: > 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. > 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 commitments. 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. > Recoverability and timing of outstanding VAT refunds from the BIR.	*The Group seeks to mitigate these risks through a number of measures including:* > *maintain a diverse portfolio of oil and gas producing interests;* > *rigid financial discipline and maintaining a strong balance sheet;* > *the Board reviewing and approving the financial strategy of the Group;* > *regular review of short-term and longer-term cash flow forecasts by Management; and* > *maintaining strong relations with its shareholders, the BIR and banking organisations*
	2020 Post Budget Update/ COVID-19 Pandemic Potential Impact The national budget in October 2019 announced commencement of the issuance of VAT Bonds during Q2 2020. The GORTT VAT bond regulations were published early April 2020 announced the intention to issue transferrable VAT Bonds but there is potential uncertainty when the actual bonds will be issued given the economic downturn arising out of COVID-19. The interest will be at a rate of 3.3% per annum payable 30 June and 30 September. VAT Bonds application were submitted to the BIR for TTD 18.5 million (USD 2.7 million equiv.) based on guidance that only refunds outstanding prior to 2020 are allowed to be applied for at this time. As at 30 April 2020, VAT refunds outstanding from the BIR amounts to TTD 23.1 million (USD 3.4 million equiv.) inclusive of the VAT bonds.	

Risk Management and Internal Controls (continued)

Area	Risk	Mitigation
Operatorship Risks	Trinity operates five LOAs across its Onshore Assets with Heritage, which are 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 may mean delays to the renewal process.	*On 29 January 2020 Heritage provided Trinity with the information which it needed to consider the renewal of the LOAs. On 19 February 2020, Trinity submitted its renewal proposals, in line with Heritage's required timeline. Subsequent to this, Trinity participated in online meetings with Heritage personnel on 20 March 2020 to review the proposals submitted, and Trinity is now awaiting further clarification from Heritage on how it intends to proceed with the renewal process in light of the disruption caused by COVID-19.*
Uninsured Liabilities	There can be no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover expenses relating to losses or liabilities. Accordingly, the Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage.	*The Group maintains a range of energy and other insurance coverage in accordance with industry practice. The insurances are reviewed annually and considered at Board level.*
Cyber Risks	The Group is at risk of financial loss, reputational damage and general disruption from a failure of its Information Technology ("IT") systems or an attack for the purposes of espionage, extortion or to cause embarrassment. Any failure of, or attack against, the Group's IT systems may be difficult to prevent or detect. The Group may not be able to recover any losses that may arise from such a failure or attack.	*The Group has an appropriately staffed IT department which ensures that the Group's systems are protected in so far as is practicable, and has internal policies in place to mitigate these risks. The Group has a comprehensive cyber security system that supports restricted access to network infrastructure assets, awareness programmes and monitors probable and possible threats on a real time basis. The security of the cyber environment was upgraded during 2019 and regular updates are undertaken. However, no system is infallible.*
Dependence on Key Personnel	The Group is dependent upon its EMT and technical staff. There is a risk that the unexpected loss of any key member of Management or staff could have a material adverse effect on the Group. Attracting and retaining additional skilled personnel is a key aspect of ensuring the development of the Group's business. As noted above (in relation to Competition risk and cost inflation), the Group faces significant competition for skilled key personnel in the oil and gas sector. There is no assurance that the Group will successfully attract new personnel or retain existing key personnel required to continue to develop its business and to execute and implement its business strategy.	*In order to mitigate this risk the Group offers competitive remuneration and retention packages including bonus and long-term incentive plans to encourage loyalty and good performance from the existing highly skilled workforce. Consideration is given to succession planning for members of the Management.*

These risks and uncertainties are considered typical for an upstream oil and gas exploration and production group of the Group's size and stage of development and the Board continues to monitor these specific risks and uncertainties faced by the Group. Trinity continues to be run by a highly experienced EMT combining strong technical expertise with financial and transactional knowledge of the oil and gas sector. Trinity's strategy to managing these risks and uncertainties includes managing internal and external stakeholders both strategically and operationally whilst delivering production and maintaining financial and operational flexibility regardless of the macroeconomic environment.

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. 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 of executive remuneration and long-term share awards. 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 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 EMT to seek comparable business practices from all suppliers and customers doing business with the Group. 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 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.

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.

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:

> **Rigour:** Demonstrate professionalism and fairness, conducting business in a socially responsible and ethical manner

> **Purpose:** Initiate thought before action by promoting sustainability and proactively protecting the environment

> **Behaviour:** 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.

On behalf of Board

Bruce Dingwall, CBE
Executive Chairman

12 May 2020

Corporate Governance Statement

Executive Chairman's Corporate Governance Statement

"Strong corporate governance is the foundation of a solid and successful business"

On behalf of the Board, I am pleased to present the Corporate Governance Report for the year ended 31 December 2019. 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 by 28 September 2018, 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.

Strong corporate governance helps underpin the foundations of a solid and 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 culture across the Group, delivering strong values and behaviours. The last few years was a time of rebuilding and strengthening for the Group. Throughout this period the importance of good governance and working for the benefit of all stakeholders has been at the forefront of Management's thinking. As the Group enters the next phase of development I, as Executive Chairman, will work with the Board to build upon 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

12 May 2020

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.

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.

Our Business Model and Strategy is clearly articulated and outlined in pages 8 to 9 of the Strategic Report.

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.

Details of the key risks for the business and how these are mitigated can be found on pages 37 to 44.

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 or trinityexploration@walbrookpr.com. The Executive Directors and the Group's PR advisors seek to respond to shareholder queries directly (whilst remaining cognisant of the 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.

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 via 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.

Note(*):

In light of the COVID-19 pandemic the 2020 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.

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 an 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.

QCA Principles (continued)

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.

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;
Rigour	initiate thought before action;
Purpose	fit for delivering our business goals.

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.

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 37 to 44.

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 is 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 helps 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.

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 54 and 55.

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 2019. The Board was reconstituted in 2017 and a further appointment of senior independent director was made in the year 2018 in 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 2019.

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.

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.

QCA Principles (continued)

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:

- approval of the Group's strategic aims and objectives;
- approval of the Group's annual operating and Capex budgets and any material changes to them;
- review of Group performance and approving any necessary corrective action that is to be taken;
- extension on the Group's activities into new business or geographical areas;
- any decision to cease to operate all or any part of the Group's business;
- major changes to the Group's corporate structure and management and control structure;
- any changes to the Group's listing;
- changes to governance and key business policies;
- ensure maintenance of a sound system of internal control and risk management;
- approval of half yearly and annual report, accounts and preliminary announcements of final year results;
- review material contracts and contracts not in the ordinary course of business; and
- Setting Executive Directors and 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 upmost 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. 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 T&T Government.

The primary communication tool with our shareholders is the Group's website, www.trinityexploration.com.

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, social media (Twitter, LinkedIn), 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,

Corporate Governance Framework

The Board

The Board is responsible for managing the Company, formulating strategy, setting budgets and raising capital, overseeing overall performance and discharging legal and statutory obligations. The Board has established Audit and Remuneration Committees to assist it in discharging its responsibilities and to have strong scrutiny over the related functions. The Board delegates day-to-day responsibility for running the Group to the Executive Management Team led by the Executive Chairman.

Audit Committee

The Audit Committee monitors the integrity of the Company and Group's financial statements and reviews 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 Company and 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 Company and Group is compliant with its relevant regulatory requirements.

Remuneration Committee

The Remuneration Committee determines and makes recommendations to the Board on the remuneration of the Company's Executive Chairman, Executive Directors and other members of the Executive Management Team. It is also responsible for the design of all share incentive plans and the determination of individual awards to Executive Directors and other Executive Management and the performance targets to be used.

Executive Chairman

In addition to his role within the Board, the Executive Chairman is also responsible for leading the Executive Management Team by monitoring as well as participating in day to day business decisions and driving the team towards strategic goals.

Executive Management Team

The Executive Management Team ensures the Operational functions of the Company are carried out safely/ efficiently and provides Corporate, Legal, HSSE and Financial inputs and recommendations to the Managing Director who in turn relates the proposed initiatives to the Executive Chairman on operational matters.

Company Secretary

Company Secretary works closely with the Board and Board Committees to ensure that Board and Committee members receive appropriate updates on governance and compliance and good boardroom practices are preserved.

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

12 May 2020

Board of Directors

Executive Directors

Bruce Dingwall, CBE
Executive Chairman

(14 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/Managing 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 8 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

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 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. He co-founded The Video Genome Project ("The VGP") in 2013; a video metadata insights business that analyses the actual content of movies and television content which was acquired by Hulu in 2016. 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.

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 Executive Directors and 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 with 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 2019 is detailed in the table below:

Directors' attendance

Director	Board-Scheduled Meetings (5)	Board Ad Hoc Meeting (2)*	Audit Committee (3)	Remun-eration Committee (3)
Bruce Dingwall, CBE (Chairman)	5	2	-	-
Jeremy Bridglalsingh	5	2	-	-
Angus Winther	5	1	3	3
David Segel	4	1	3	3
James Menzies	5	1	2	3
Nick Clayton	5	1	3	3
Total meetings	**5**	**2**	**3**	**3**

* Ad hoc meetings: Additional meetings called for a specific matter generally of a more administrative nature not requiring full Board attendance

Relationship with Shareholders

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

Angus Winther
Non-Executive Director,
Audit Committee Chairman

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
> 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

2019 Highlights

> Going concern assessment
> Review and approval of key financial reporting issues, assumptions and judgements, particularly those relating to complex calculations including fixed asset impairments, provision for decommissioning and deferred taxes
> Focus on new accounting standards; IFRS 16 Lease Accounting
> Review of the Group's financial reporting procedures
> Review of the PricewaterhouseCoopers 2019 Audit Report and 2019 Interim Review Report

An essential part of the integrity of the financial statements lies around 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.

Although not a member of the Audit Committee, the Managing Director (whom holds the dual role of CFO) is invited to attend meetings. The Committee has engaged PricewaterhouseCoopers LLP ("PwC") to act as external auditors and they are also invited to attend Committee meetings, unless they have a conflict of interest. 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 56.

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

The external auditors, PwC, were first appointed in 2013. The Group fee to PwC for the financial year to 31 December 2019 is USD 0.3 million. The Audit Committee undertakes a comprehensive review of the quality, effectiveness, value and independence of the audit provided by PwC each year, seeking the views of the wider Board, together with relevant members of the EMT.

Policy on Auditor Appointments

Appointment of External Auditors

> External auditors are to be re-appointed annually, subject to a satisfactory review of their performance, independence and service proposal by the Audit Committee.
> Unless a change in external auditor is deemed appropriate in the intervening period, every five years the Audit Committee will consider the appropriateness of putting the external audit out to tender, and will inform the shareholders as to their decision.

Audit Committee Report (continued)

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

12 May 2020

Remuneration Committee Report

Nicholas Clayton
Remuneration Committee Chairman

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 bonus payments should be payable and recommending levels for individual executives.
> Determine each year whether any awards/grants should be made under the incentive schemes and the value of such awards.
> Consider any new long-term incentive scheme awards and 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.

The Remuneration Committee exercised discretion in 2018 and 2019 in restoring the EMT's base salaries to levels deemed to be more in line with the oil industry norms, following a period of austerity in previous years when executive salaries were deliberately depressed to reflect the financial difficulties being experienced by the Group at that stage.

The framework for establishing 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 performances 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 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 2020 payment of these bonuses will be deferred to a time when it is financially prudent for the business to do so.

PwC can be consulted for objective and independent general advice to the Committee on remuneration trends and incentive design. No advice was sought for the period of 2019. PwC is a member of the Remuneration 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 this report as it relates solely to the reported items within the financial statements.

2019 Performance and Review

> Corporate KPI's:
  - Setting up corporate KPI's which are used to determine the bonus awards of the Executive Chairman, Executive Director and EMT's bonus awards were set according to mixture of Corporate KPI's and personal performance.
  - Mid-year/Year-end review of corporate KPI's

> Executive Directors' employment contracts:
  - Reviewed and updated the employment contract of the Executive Chairman including salary and other emoluments, to be in line with a typical remuneration package of AIM listed/small-cap companies.
  - Executive Director's employment contract reviewed and updated in accordance employment laws of Trinidad.

Remuneration Committee Report (continued)

> Key pay outcomes:

- Bruce Dingwall, CBE's base salary for 2019 was USD 360,000 (2018: USD 250,000). Effective 1 January 2020 the Executive Chairman's salary has been revised to USD 368,000 per annum
- Jeremy Bridglalsingh's base salary for 2019 was USD 240,000 (2018: USD 180,000). Effective 1 January 2020 the Executive Director's salary has been revised to USD 255,000 per annum

The Remuneration Committee believe these adjustments to salaries bring them in line with market norms.

> LTIP awards 2019:

- Reviewed performance criteria and recommended 2019 LTIP awards.
- The Group granted options over 3,832,824 ordinary shares on 9 May 2019 (representing 1% of the then issued capital of the Group) in relation to 2018
- The Group also granted options over 2,824,000 ordinary shares on 2 January 2019 (representing 0.735% of the Group's then issued share capital) in relation to the EMT's performance in 2017. These awards had originally been scheduled to be made in May 2018.

> 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.

N J Clayton

Nicholas Clayton
Remuneration Committee Chairman

12 May 2020

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 Bridglalsingh served as Executive Director throughout 2019.

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
Base salary			
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: > Market data; > Local market employment conditions; > Salary increases awarded to other employees in the Group. 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.
Annual bonus			
The annual bonus aligns rewards to key Group strategic KPIs agreed by the Committee and drives short term performance of the Company.	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 Company performance and market conditions. The measures are determined by the Committee, typically at the commencement of the financial year.
Pension			
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.

Directors' Remuneration Report (continued)

Element	Operation	Maximum opportunity	Performance assessment
LTIP			
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.	In 2019, two grants were made to the Executive Directors and other EMT, relating to their performance in 2017 and 2018 respectively, further details of which can be found on page 66. 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.	Annual awards will normally vest at the end of a three year period subject to performance conditions. Further details of the performance conditions of these awards can be found on page 66.
Other benefits			
To provide competitive levels of employment benefits.	The Committee may provide a benefits package to EMT at its discretion. Reviewed periodically to ensure benefits remain market competitive.	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.
Shareholding policy			
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.

Executive Directors' service contracts

The Company's policy on Directors' service contracts are indicated below:

Director	Effective term	Notice period
Bruce Dingwall, CBE	Rolling with no fixed expiry date.	Six months
Jeremy Bridglalsingh	Rolling with no fixed expiry date.	Six months

Non-executive director remuneration

No new appointments were made during 2019.

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.

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

Annual Report on Remuneration

This section of the Remuneration Report contains details of how the Group's Remuneration Policy was implemented for Directors in 2019. Our Auditors have audited aspects this report as it relates solely to the reported items within the financial statements.

Executive Remuneration (Audited)

The table below sets out the single total figure of remuneration and breakdown for each Director paid for the 2019 financial year. Comparative figures for 2018 have also been provided where applicable.

All figures expressed in USD	Bruce Dingwall, CBE[1] 2019	Bruce Dingwall, CBE[1] 2018	Jeremy Bridglalsingh[2] 2019	Jeremy Bridglalsingh[2] 2018
Base Salary	**360,000**	250,000	**240,000**	180,000
Taxable Benefits [3]	**36,000**	25,000	**20,417**	24,622
Annual Bonus	**144,000**	125,000	**96,000**	90,000
Pension	**—**	—	**24,000**	18,000
LTIPs	**—**	—	**—**	—
Total	**540,000**	400,000	**380,417**	312,622

Notes:

1. 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).
2. Jeremy Bridglalsingh – Executive Director effective since 11 January 2017.
3. Taxable benefits include: Chairman's benefits allowance which is 10% of salary and vehicle allowance in favour of Executive Director.
4. Foreign Exchange ("FX") Conversions:
   i. GBP fees were converted to USD using an exchange rate of 1: 1.2749 for 2019 (2018: 1: 1.3469).
   ii. TTD fees were converted to USD using an exchange rate of 1: 6.7591 for 2019 (2018: 1: 6.7615).
5. Additional details on single figure table:
   i. Annual bonus: Annual bonuses for 2019 were approved by the Remuneration Committee but remain unpaid to EMT and will be deferred until further notice.
   ii. 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 64 to 66 for further info).

Non-Executive Directors Fees (Audited)

	USD Equiv.
Basic Fee	50,996
Audit Committee Chairman	12,749
Remuneration Committee Chairman	6,375

All figures expressed in USD	Director Fees 2019	Director Fees 2018	Committee Chairman Fees 2019	Committee Chairman Fees 2018	Total 2019	Total 2018
Angus Winther [1]	**50,996**	53,876	**12,749**	13,469	**63,745**	67,345
David Segel [2]	**50,996**	53,876	**—**	—	**50,996**	53,876
Nicholas Clayton [3]	**50,996**	5,019	**6,375**	627	**57,371**	5,646
James Menzies [4]	**50,996**	53,876		6,107	**50,996**	59,983
Total	**203,984**	166,647	**19,124**	20,203	**223,108**	186,850

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. Fees include Non-Executive Director and Remuneration Committee Chairman Fees.
3. James Menzies – Independent Non-Executive Director effective 23 June 2017 and appointed Remuneration Committee Chairman 23 June 2017 until 28 November 2018.
4. Non-Executive Director Fees are paid in GBP and were converted to USD using an exchange rate of 1: 1.2749 for 2019 (2018: 1: 1.3469).

Directors' Remuneration Report (continued)

Company Remuneration Spend (Audited)

The following table indicates the Group's total remuneration for 2019:

						Year-on-year change		% of Total	
	Directors & Key Managers Total[1]		Other Employees Total[2]		Total Remuneration	Directors & Key Managers	Other Employees	Directors & Key Managers	Other Employees
2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
2,384	1,878	**5,388**	6,094	**7,772**	7,972	**21%**	-13%	**31%**	24%

Notes:

1. Refer to Note 26 (c) Related Party Transactions – Key Management and Directors' compensation in the Financial Statements on page 121.
2. Refer to Note 30 Employee Costs on page 123.
3. All figures expressed in USD '000.

Statement of Executive Directors' Shareholding (Audited)

The table below summarises the Executive Directors' interests in shares at 31 December 2019:

				Outstanding interests			
		Shareholding		Interests subject to conditions		Vested but unexercised interests	
Director	Current Shareholding (% salary)	Beneficially owned shares	Options - Mirror Scheme	Share interests – LTIP	Options/ Mirror Scheme	Share interests - LTIP	Total held at 31 December 2019
Bruce Dingwall, CBE	357%	13,486,114	—	10,678,033	625,908	—	**24,790,055**
Jeremy Bridglalsingh	12%	207,062	—	6,310,583	20,000	—	**6,537,645**

Notes:

1. The closing share price of GBP 0.11 (USD 0.14 equiv.) as at 31 December 2019 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. No LTIPs have been exercised in 2019 for Bruce nor Jeremy.
4. The share options vesting period has passed for both Bruce and Jeremy. These have not been exercised and will expire March 2022.
5. All GBP fees were converted to USD using an exchange rate of 1.2749.

Total Shareholder Return ("TSR") 2016-2019 (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.*%
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
2016	2.3	1.9	4.2	(55)	(75)

Note: * 2019 FX: USD: GBP rate used 1.2749

Long term incentive Share Plans ("LTIPs") (Audited)

2019 Grant of LTIP's

Name	Position	1st Grant 2 January 2019 Number of Ordinary Shares Subject to the Option	2nd Grant 9 May 2019 Number of Ordinary Shares Subject to the Option
Bruce Dingwall, CBE	Executive Chairman	664,219	991,685
Jeremy Bridglalsingh	Managing Director	478,238	661,124

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 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 for 2019 Grants 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 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 20.0 million to GBP 400.0 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 2018, the market cap range of GBP 20.0 million to GBP 400.0 million has been deemed appropriate, but the Remuneration Committee will review the appropriate range for each new LTIP grant.

May 2019

On 9 May 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 2018. The Group announced the grant of Options over 3,832,824 ordinary shares (representing 1% of the Group's issued share capital) under the LTIP on 9 May 2019, including the awards to Executive Directors shown in the table above.

The above 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 threeyear performance period ending on 31 December 2021. 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 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 issued share capital) under the LTIP on 2 January 2019, including the awards to Executive Directors shown in the table above.

The above Options will vest on 1 January 2021, 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 1 January 2021. 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 three month average TSR leading into 31 December 2017, being 16.77p.

Directors' Remuneration Report (continued)

2017 Grant of one-off 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 is 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 will give 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).

The Options will vest 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 on 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 pursuant to and following the Fundraising in 2018.

The Options will vest in whole or in part on 30 June 2020 or 30 June 2021 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 Group may in future make additional one-off awards in respect of Options over a further 2,824,000 ordinary shares (representing an additional 1% of the Group's issued share capital as at 25 August 2017) on the same terms as the 2017 LTIP Awards. It is intended that such awards, if made, will be to newly recruited employees or to award exceptional performance.

The current intention of the Group is that the aggregate number of ordinary shares that may be issued or reserved for issuance under awards granted pursuant to the LTIP may not exceed 15% of the Group's issued share capital. This includes the 10% relating to the one-off 2017 LTIP Awards and up to 1% per annum for future awards.

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 2019 are as follows:

Principal Activities

Trinity is an independent oil Group 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, multiple exploration prospects with the potential to deliver meaningful production and reserves growth.

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 1 to 44.

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, and therefore the Company's, current financial position, budget and various cash flow forecast scenarios. The Directors have attempted to consider the 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. This going concern assessment has taken into account the current measures being put in place by the Group to preserve cash and reduce discretionary expenditure during a period when the Group is having to rapidly adapt to a significantly lower oil price environment.

The Group started 2020 with a strong operating and financial position, a 2019 average production rate of 3,007 bopd (Q1 2020 3,291), cash in hand and at bank of USD 13.8 million (Q1 2020 USD oses).

In making their going concern assessment, the Directors have considered what they consider to be a wide range of plausible scenarios for future oil prices, production volumes and discretionary expenditure reductions which could be implemented in response to differing oil price and production scenarios.

In making their going concern assessment the Board has looked at a number of forecast scenarios, the principal two of which are summarised below:

1. Base Case

The Base Case forecast assumes:

> Future oil prices are in line with the forward curve prevailing as at the end of April 2020, with an average realised oil price of USD 26.8/bbl in the period to May 2021. The forward price curve applied in the Base Case starts at USD 15.4/bbl in May 2020, increasing each month up to USD 31.37/bbl in May 2021;

> Average 2020 forecast production of 3,271 bopd and average 2021 forecast to May production of 3,123 bopd, with production being maintained by RCPs, WOs and swabbing activities but no new drilling (Q1 2020 actual average production rate of 3,291 bopd);

> The benefit of cost reduction measures across Opex, G&A and Capex which have already been implemented by the Group;

> The Group receives the benefit of the crude oil price hedges currently in place; and

> The Group repays the CIBC USD 2.7 million bank facility in October 2020 and does not receive any cash in relation to the USD 2.7 million VAT Bonds for which the Group has applied to the BIR.

The Base Case forecast showed that the Group will remain in a relatively strong financial position for the next twelve months, being able to pay its debts as they fall due, with available cash in May 2021 of approximately USD 16.0 million. Management considers this is a reasonable scenario that reflects its best estimate of the future oil price, production profile and cost savings which have already been implemented.

2. Risked Case

The Risked Case forecast is essentially a stress test which assumes:

> A flat oil price of USD10/bbl over the period May 2020 to May 2021. This assumption represents a 63% decline on the forward curve assumed in the Base Case;

> Average 2020 forecast production of 2,829 bopd and average 2021 forecast production to May of 2,566 bopd, with production stressed to reflect the potential impact of reduced

Directors' Report (continued)

operational capability due to COVID-19. These represents a 15% decline in the production assumptions used in the Base Case in the period from January 2020 to May 2021, equivalent to a loss of an average 475 bopd over that period;

> Additional cost reductions of USD 2.8 million can be implemented across Opex and G&A, reflecting the reduced activity associated with the lower forecast production profile, and other cost saving measures which Management are confident can be implemented; and

> All other assumptions remain the same as the Base Case above.

The Board considers that these assumptions represent a relatively severe scenario but, given the difficulty of predicting the impact of the COVID-19 pandemic, they are not entirely implausible. The Risked Case forecast showed that, whilst the Group would still be able to pay its debts as they fall due over the next twelve months, the Group's financial position would deteriorate significantly with ending cash in May 2021 of approximately USD 4.0 million. This scenario relies on the ability of Management to implement the planned cost reduction measures, and it is also important to note that the Group's financial position would deteriorate further were these severe conditions to continue beyond the twelve month going concern forecast period. Should such a severe scenario arise and persist during the next twelve months, the Board will consider various means by which to adapt the business model in order to create additional financial headroom.

Based on these scenarios, when combined with mitigating actions that are within the Group's control, and having considered the potential impact of a period of operational disruption from the COVID-19 pandemic, the Directors currently believe the Group can maintain sufficient liquidity and a positive cash balance, and remain in operational existence, for at least the next twelve months.

The Board has carried out a robust assessment of the principal risks facing the Group as a result of the COVID-19 pandemic and reduced oil price, including those that would threaten its crude oil production and disposal, future performance, solvency or liquidity. The Board has also considered its ability to mitigate the principal risks facing the Group. Whilst the Board is confident of its ability to mitigate the principal risks facing the Group in most circumstances, the occurrence of certain risk events, when combined with the Risked Scenario assumptions set out above, give rise to a material uncertainty regarding the Group's ability to continue as a going concern.

As a result, at the date of approval of the financial statements, there are material uncertainties over the potential impact of COVID-19 on the Group's operational activities, as a result of its potential impact on the oil price, and should Management be unable to implement mitigating plans including cost reduction measures. These material uncertainties may cast significant doubt upon the Group's and Company's ability to continue as a going concern. Notwithstanding these material uncertainties, the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for at least twelve months post approval of these financial statements and is poised for continued growth when market conditions 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 financial statements. Accordingly, the financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Dividend Policy

No dividend payments were recommended by the Directors.

Capital Structure

As at 31 December 2019 the Company's issued share capital was 478,849,232 which comprised of 384,049,246 ordinary shares of USD 0.01 each and 94,799,986 deferred shares of USD 0.99 each. Each ordinary share carries the 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 have been 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 Note 21 to the Consolidated Financial Statements on page 112. 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 CA 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 48.

Substantial Shareholdings

The Shareholders holding over 3% of the voting rights as at 18 March 2020 were as follows:

	Shareholder	% of Issued Share capital as at 18 March 2020	No. of Shares as at 18 March 2020
1.	David & Christina Segel Living Trust	10.55	40,527,722
2.	Hargreaves Lansdown Asset Management (clients)	8.35	32,059,918
3.	Angus Winther	8.05	30,932,994
4.	Gavin White	7.62	29,267,481
5.	Marlborough Nano-Cap Growth Fund	4.45	17,100,000
6.	Jan-Dirk Lueders*	4.19	16,103,163
7.	Scott Casto *	4.10	15,748,348
8	Interactive Investor clients	3.82	14,657,764
9.	Tim & Lisa Robertson	3.81	14,633,743
10.	HSBC Private Bank, London clients	3.70	14,220,645
11.	Bruce Dingwall, CBE	3.64	13,994,588

* 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:

	No. of Consolidated Ordinary Shares – USD 0.01 2019	No. of Consolidated Ordinary Shares – USD 0.01 2018
Bruce Dingwall, CBE, CBE	**13,486,114**	13,486,114
Jeremy Bridglalsingh	**207,062**	207,062
James Menzies	**1,150,000**	975,000
David Segel	**40,527,722**	40,527,722
Angus Winther	**30,102,994**	29,675,644
Nicholas Clayton	**100,000**	N/A
Total Director Shareholdings	**85,573,892**	84,871,542

Directors' Report (continued)

Directors' share options/LTIPs

Details of Directors' share options/LTIPs are provided in the Directors' Remuneration Report on pages 64 to 66.

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 2019, Trinity achieved a solid HSSE performance. 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 41 and 43.

Likely Future Developments

Future developments plans for TGAL have been addressed on page 27, HAWs on pages 13 to 17 and SCADA on page 17.

Independent Auditors

At the AGM of the Group held in May 2019, the Shareholders approved the re-appointment of PwC as the auditors of the Group and Group to hold the office until the conclusion of the Annual General Meeting of 2020. 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.

On behalf of the Board

Amanda Bateman

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

12 May 2020

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 in accordance with IFRS as adopted by the EU and Group financial statements in accordance with IFRS as adopted by the EU. 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 as adopted by the EU have been followed for the Group's Financial Statements and IFRS as adopted by the EU have been followed 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 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

12 May 2020

Independent Auditors' Report

to the members of Trinity Exploration & Production Plc

Report on the audit of the financial statements

Opinion

In our opinion, Trinity Exploration & Production Plc's group financial statements and company financial statements (the "financial statements"):

> give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2019 and of the group's loss and the group's and the company's cash flows for the year then ended;

> have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and

> have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 December 2019; the consolidated statement of comprehensive income, the consolidated and company statements of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern – Group and Company

In forming our opinion on the group and company financial statements, which is not modified, we have considered the adequacy of the disclosure made in Going Concern Note 1 on pages 87 and 88 to the financial statements concerning the group's and company's ability to continue as a going concern. The ability of the group and company to operate as a going concern is dependent upon the group generating cash inflows, which in turn is dependent on oil price, production, and controlling cash outflows. The Covid-19 pandemic has led to a fall in global demand for oil, and lower oil prices. As outlined in Going Concern Note 1, management have considered several scenarios, including a downside scenario, which assumes a continued low oil price and lower production, mitigated by cost and capital expenditure reduction measures. Whilst management's scenarios demonstrate the group and company would continue to have sufficient liquidity to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements, there is a risk that cash inflows fall even further or that management are unable to implement their plans to reduce costs and delay capital expenditure on a sufficiently timely basis. These conditions, along with the other matters explained in note Going Concern Note 1 to the financial statements, indicate the existence of material uncertainties which may cast significant doubt about the group's and company's ability to continue as a going concern. The group and company financial statements do not include the adjustments that would result if the group and company was unable to continue as a going concern.

What audit procedures we performed

In concluding there are material uncertainties, our audit procedures included:

> checking the mathematical accuracy of management's cash flow forecast and confirming the opening cash position;

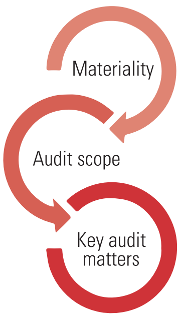
> challenging and evaluating management's underlying cash flow projections including comparing forecast sales volumes, operating costs and capital expenditure to recent actual and internal forecasts and comparing forecast future oil prices to external data;

> evaluating the reasonableness of management's risked case, including assessing management's ability to take mitigating actions, including delaying capital expenditure and reducing costs; and

> assessing the completeness and appropriateness of management's going concern disclosures included in the financial statements.

Our audit approach

Overview



> Overall group materiality: $635,000 (2018: $600,000), based on 1% of total revenue.

> Overall company materiality: $400,000 (2018: $400,000), based on an allocation of group materiality.

> Trinity operates solely in Trinidad & Tobago. Management prepare a sub-consolidation containing all Trinidadian operations at the Trinity Exploration and Production (Trinidad and Tobago) Limited level. We considered this to be the only financially significant component with 100% of revenue and 91% of total assets contained within this component.

> Carrying value of intangible and tangible assets (Group)

> Valuation of decommissioning provision (Group)

> Consideration of the response to the Covid-19 pandemic (Group and Company)

> Going concern (Group and Company)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the 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) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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 going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Independent Auditors' Report (continued)

Key audit matter	How our audit addressed the key audit matter
Carrying value of intangible and tangible assets (Group) *Refer to pages 94 to 96 Background and Accounting Policies Note 1, pages 102 to 104 Critical Accounting Estimates and Judgements Note 3, page 108 Property, Plant and Equipment Note 11 and pages 110 and 111 Intangible Assets Note 13* As at 31 December 2019, the Consolidated Statement of Financial Position contained $42.4 million of Property Plant and Equipment (comprising $39.6 million of Oil and Gas assets) and $25.9 million of capitalised exploration costs. **Intangible Assets (exploration assets)** Management have assessed exploration assets for impairment triggers under IFRS 6 and concluded that no triggers existed at the year-end. **Tangible assets (producing oil and gas assets)** Management did not identify any qualitative impairment triggers on individually material tangible assets (i.e. oil and gas producing assets). However, the market capitalisation of the Group continued to be below the consolidated net asset position. This is an indicator that some or all of these assets may be impaired. Management 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; and > Discount rates Management have recorded a pre-tax impairment charge of $15.2 million (2018: $2.6 million) on its oil and gas producing assets during the year. We focused on this area due to the significant values and the nature of the judgements and estimates management are required to make in determining the existence of impairment triggers and the value of any of impairment charge.	**Intangible assets (exploration assets)** We reviewed management's assessment of impairment triggers for exploration assets under IFRS 6 including challenging and assessing management's plans to perform further evaluation of the development opportunity on the TGAL field, located on the Galeota Block, offshore of the East Coast of Trinidad. We corroborated the current status of both planned and in progress evaluation activities which supported management's conclusions. **Tangible assets (producing oil and gas assets)** We tested management's impairment analysis on their Oil and Gas assets by performing the work described below: > obtained management's impairment model and validated the mathematical accuracy; > evaluated management's underlying cash flow projections to other external and internal sources where appropriate, including recent production, oil price forecasts and comparing cost assumptions to historic actuals and underlying budgets; > we assessed the competency, independence and objectivity of management's experts in relation to oil and gas reserves. We discussed and gained an understanding of the impact of the key judgements and assumptions used in the reserves report directly with management's experts; > we benchmarked oil price assumptions to external sources including forward curves at 31 December 2019 and found these to be reasonable and at the lower end of the range compared to many external sources; and > with the assistance of our valuation experts, we assessed the discount rates used in the calculation. The discount rate used by management was found to sit within our independently determined reasonable range. Our audit also focused on the sensitivity of the assessments to movements in the oil price. We ran additional sensitivities on these assumptions and did not identify any additional impairment to be recorded. After performing the above testing, the evidence we had obtained supported management's conclusion on the impairment charge recorded at 31 December 2019. We have also tested the related disclosures in the financial statements for compliance with the applicable accounting standards and consistency with the results of our audit work.

Key audit matter	How our audit addressed the key audit matter
Valuation of decommissioning provisions (Group) *Refer to pages 95 to 98 Background and Accounting Policies Note 1, pages 102 to 104 Critical Accounting Estimates and Judgement Note 3 and pages 119 and 120 Provisions for other liabilities Note 24.* The decommissioning provision is an estimate of the future expected costs to dismantle the Group's Oil and Gas infrastructure including wells, platforms, gathering stations and pipeline infrastructure. At 31 December 2019 the Group's provision for decommissioning was $44.3 million (2018: $41.8 million). The estimate is based on a number of key assumptions including: > inflation rate > risk free rate > estimated market value of cost to decommission; and > estimated life of each asset We have focused on this area due to the magnitude and judgement involved in determining the future liability.	We tested management's model of the expected future cost to decommission the Group's Oil and Gas assets by performing the procedures outlined below: > obtained management's model of future decommissioning costs and validated the mathematical accuracy; > with the support of our valuation experts, we benchmarked the inflation and discount rate used by management. These were found to be within our independently determined reasonable range; > assessed whether the model is complete in respect of the assets which require to be decommissioned and their estimated useful life through reconciliation to other corroboratory evidence; > checked the build-up of individual decommissioning activities to third party and other sources of internal evidence; > traced a sample of individual costs to third party quotations; and > tested the unwinding of the liability through re-performance of management's calculation. Through the procedures outlined above, sufficient evidence has been obtained to support the provision for decommissioning made at 31 December 2019. We have also tested the related disclosures in the financial statements for compliance with the applicable accounting standards and consistency with the results of our audit work.
Consideration of the response to the Covid-19 pandemic (Group and Company) *Refer to pages 37 to 44 Risk Management and Internal Controls and pages 67 and 68 Directors' Report, pages 87 to 88 Going Concern and page 124 Post Balance Sheet Events* The Covid-19 virus originated in China with the first official reported case in November 2019. The World Health Organisation officially declared Covid-19 a pandemic on 12 March 2020 and, due to the ability of the virus to spread and cause serious illness, many countries have introduced extensive public health measures aimed at containing and limiting the impact of the virus through limitation of social interaction and groups. The Government of the Republic of Trinidad and Tobago ('GORTT') have taken steps to curtail the spread of the virus including closing the country's borders and only essential operations, as determined by GORTT, are permitted. Oil and Gas operations are deemed to be an essential operation by GORTT. The pandemic has caused a shock to the global economy and, combined with geopolitical factors, oil prices have fallen significantly.	We agree with management that the Covid-19 outbreak and geopolitical factors which together have led to a decrease in oil price is a result of conditions that arose after the balance sheet date and as a result are non-adjusting post balance sheet events. As a result the assumptions used in the Group's impairment assessments performed at 31 December 2019 are not adjusted for changes subsequent to that date. We have evaluated the disclosures included in the Annual Report in respect of this risk, including principal risks and uncertainties, going concern, impairment sensitivities and post balance sheet events and consider them reasonable. The impact of Covid-19 on the group's and company's ability to continue as a going concern is considered in the 'material uncertainty related to going concern' section above.

Independent Auditors' Report (continued)

Key audit matter	How our audit addressed the key audit matter
Consideration of the response to the Covid-19 pandemic (Group and Company) (continued) Management do not consider the Covid-19 pandemic or recent oil price volatility to be adjusting events at 31 December 2019. However, the virus has the potential to cause disruption to the Group's operational activities and impact future earnings and cash flows. Management have made an assessment of the impact of a potential liquidity shortfall in the event of the continuing impact of the pandemic.	

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of six components and the Group has only one operating segment in Trinidad. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed over the components either by us, as the Group engagement team, or component auditors from other PwC network firms operating under our instruction.

We identified two components (the Trinity Exploration and Production (Trinidad and Tobago) Limited Group, which represents the sub-consolidation of the Group's Trinidadian subsidiaries, and Trinity Exploration & Production Plc ("the Company")) that, in our view, required full scope audits due to their relative size or risk characteristics. The full scope audit of the Trinity Exploration and Production (Trinidad and Tobago) Limited Group was performed by a combination of members of the group engagement team and our component audit team in Trinidad & Tobago.

All other audit work was performed by the Group audit team. Together, the two full scope components and specified balances scoped into our audit include 100% of Group revenue and 100% of total assets. Our interactions and procedures over our component auditors in Trinidad & Tobago comprised of the following:

> We determined the areas of key audit risks that related to Trinity Exploration and Production (Trinidad and Tobago) Limited Group's business activities and the audit procedures that would be required to address these risks. We allocated the execution of these procedures between the Group audit team and our component team in Trinidad & Tobago;

> The Group audit team had ongoing communication with our component team in Trinidad & Tobago throughout the interim and year end audit; and

> We reviewed the component auditor's file documentation in order to assess their conclusion and to confirm that the audit work had been undertaken as instructed.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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

	Group financial statements	Company financial statements
Overall materiality	$635,000 (2018: $600,000).	$400,000 (2018: $400,000).
How we determined it	1% of total revenue.	Allocation of group materiality.
Rationale for benchmark applied	The benchmark reflects the Group's primary focus on generating sustainable growth in revenue through increasing production volume	The benchmark reflects the Company's relative contribution to the Group's total assets capped at an allocation of group materiality.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between $400,000 and $550,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $31,750 (Group audit) (2018: $30,000) and $20,000 (Company audit) (2018: $20,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report 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 Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Other voluntary reporting

Directors' remuneration

The company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the Companies Act 2006. The directors requested that we audit the part of the Directors' Remuneration Report specified by the Companies Act 2006 to be audited as if the company were a quoted company.

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen

12 May 2020

Financial Statements

(Expressed In United States Dollars)
31 December 2019

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2019

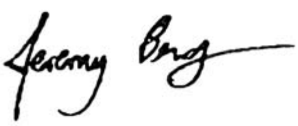
(Expressed in United States Dollars)	Notes	2019 $'000	2018 $'000
Operating Revenues			
Crude oil sales		**63,878**	62,578
Other income		**14**	15
		63,892	62,593
Operating Expenses			
Royalties		**(20,034)**	(20,390)
Production costs		**(16,426)**	(17,754)
Depreciation, Depletion & Amortisation ("DD&A")	11-13	**(9,772)**	(10,694)
General & Administrative ("G&A") expenses		**(5,589)**	(5,240)
Impairment losses on financial assets ("ILFA")		**(608)**	—
Share Option Expense ("SOE")		**(1,038)**	(737)
Foreign exchange ("FX") (loss)/gain		**(76)**	17
Other Expenses		**(78)**	(1,075)
		(53,621)	(55,873)
Operating Profit before Supplemental Petroleum Taxes ("SPT") & Property Taxes ("PT")		**10,271**	6,720
SPT		**(7,413)**	(7,050)
PT		**(492)**	607
Operating Profit before Exceptional Items		**2,366**	277
Exceptional items	6	**(15,187)**	(2,312)
Operating Loss		**(12,821)**	(2,035)
Finance income	7	**138**	93
Finance costs	7	**(1,372)**	(2,149)
Loss Before Income Taxation		**(14,055)**	(4,091)
Income taxation credit/(expense)	8	**4,408**	(1,270)
Loss for the year		**(9,647)**	(5,361)
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss			
Currency translation		**85**	40
Total Comprehensive Loss For The Year		**(9,562)**	(5,321)
Earnings per share (expressed in dollars per share)			
Basic	9	**(0.02)**	(0.02)
Diluted	9	**(0.02)**	(0.02)

Consolidated Statement of Financial Position

at 31 December 2019

(Expressed in United States Dollars)	Notes	2019 $'000	2018 $'000
ASSETS			
Non-current Assets			
Property, plant and equipment	11	**42,380**	53,599
Right-of-Use ("ROU") assets	12	**1,402**	—
Intangible assets	13	**26,255**	25,757
Abandonment fund	14	**3,378**	2,979
Performance bond	15	**253**	253
Deferred Tax Assets ("DTA")	16	**9,362**	5,973
		83,030	88,561
Current Assets			
Inventories	17	**5,143**	3,738
Trade and other receivables	18	**9,337**	13,343
Derivative financial instruments		**85**	—
Cash and Cash equivalents	19	**13,810**	10,201
		28,375	27,282
Total Assets		**111,405**	115,843
EQUITY AND LIABILITIES			
Capital and Reserves Attributable to Equity Holders			
Share capital	20	**97,692**	97,692
Share premium	20	**139,879**	139,879
Share based payment reserve	21	**14,328**	13,290
Merger reserves	22	**75,467**	75,467
Reverse acquisition reserve	22	**(89,268)**	(89,268)
Translation reserve		**(1,649)**	(1,638)
Accumulated losses		**(186,024)**	(176,473)
Total Equity		**50,425**	58,949
Non-current Liabilities			
Lease liability	12	**841**	—
Deferred Tax Liabilities ("DTL")	16	**4,188**	5,598
Provision for other liabilities	24	**44,330**	41,802
		49,359	47,400
Current Liabilities			
Trade and other payables	25	**10,386**	9,147
Lease liability	12	**637**	—
Provision for other liabilities	24	**518**	347
Taxation payable	27	**80**	—
		11,621	9,494
Total Liabilities		**60,980**	56,894
Total Equity and Liabilities		**111,405**	115,843

The financial statements on pages 80 to 124 were authorised for issue by the Board of Directors on 12 May 2020 and were signed on its behalf by:



Jeremy Bridglalsingh
Director
12 May 2020

Company Statement of Financial Position

at 31 December 2019

(Expressed in United States Dollars)	Note	2019 $'000	2018 $'000
ASSETS			
Non-current Assets			
Investment in subsidiaries	10	**59,306**	58,489
Current Assets			
Trade and other receivables	18	**218**	84
Intercompany	18	**3,631**	6,539
Derivative financial instruments		**85**	—
Cash and Cash equivalents	19	**5,286**	4,056
		9,220	10,679
Total Assets		**68,526**	69,168
EQUITY AND LIABILITIES			
Capital and Reserves Attributable to Equity Holders			
Share capital	20	**97,692**	97,692
Share premium	20	**139,879**	139,879
Share based payment reserve		**3,628**	2,590
Merger reserves		**56,652**	56,652
Accumulated losses		**(229,833)**	(228,126)
Total Equity		**68,018**	68,687
Current Liabilities			
Trade and other payables	25	**508**	481
		508	481
Total Liabilities		**508**	481
Total Equity and Liabilities		**68,526**	69,168

The financial statements on pages 80 to 124 were authorised for issue by the Board of Directors on 12 May 2020 and were signed on its behalf by:

Jeremy Bng

Jeremy Bridglalsingh
Director
12 May 2020

Trinity Exploration & Production plc
Registered Number: 07535869

Consolidated Statement of Changes in Equity

for the year ended 31 December 2019

(Expressed in United States Dollars)

Year ended 31 December 2018	Share Capital $'000	Share Premium $'000	Other Equity $'000	Share Based Payment Reserve $'000	Reverse Acquisition Reserve $'000	Merger Reserves $'000	Translation Reserve $'000	Accumulated Losses $'000	Total Equity $'000
At 1 January 2018	96,676	125,362	590	12,553	(89,268)	75,467	(1,678)	(171,112)	48,590
Issue of shares	1,016	18,984	—	—	—	—	—	—	20,000
Cost of raising equity	—	(1,202)	—	—	—	—	—	—	(1,202)
CLN[1] – discount	—	(3,265)	—	—	—	—	—	—	(3,265)
CLN – conversion	—	—	(590)	—	—	—	—	—	(590)
Share based payment expense (Note 21)	—	—	—	737	—	—	—	—	737
Loss for the year	—	—	—	—	—	—	—	(5,361)	(5,361)
Translation difference	—	—	—	—	—	—	40	—	40
Total comprehensive income for the year	—	—	—	—	—	—	40	(5,361)	(5,321)
At 31 December 2018	**97,692**	**139,879**	**—**	**13,290**	**(89,268)**	**75,467**	**(1,638)**	**(176,473)**	**58,949**

Year ended 31 December 2019	**Share Capital $'000**	**Share Premium $'000**	**Other Equity $'000**	**Share Based Payment Reserve $'000**	**Reverse Acquisition Reserve $'000**	**Merger Reserves $'000**	**Translation Reserve $'000**	**Accumulated Losses $'000**	**Total Equity $'000**
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 21)	—	—	—	1,038	—	—	—	—	1,038
Loss for the year	—	—	—	—	—	—	—	(9,647)	(9,647)
Translation difference	—	—	—	—	—	—	(11)	96	85
Total comprehensive loss for the year	—	—	—	—	—	—	(11)	(9,551)	(9,562)
At 31 December 2019	**97,692**	**139,879**	—	**14,328**	**(89,268)**	**75,467**	**(1,649)**	**(186,024)**	**50,425**

1 On 11 January 2017 the Company issued at a 50% discount 6.6 million USD 1.00 dollar, unsecured CLNs.

Company Statement of Changes in Equity

for the year 31 December 2019

(Expressed in United States Dollars)

Year ended 31 December 2018	Share Capital $'000	Share Premium $'000	Other Equity $'000	Share Based Payment Reserve $'000	Merger Reserves $'000	Accumulated Losses $'000	Total Equity $'000
At 1 January 2018	96,676	125,362	590	1,853	56,652	(225,459)	55,674
Issue of ordinary shares	1,016	18,984	—	—	—	—	20,000
Cost of raising equity	—	(1,202)	—	—	—	—	(1,202)
CLN - discount	—	(3,265)	—	—	—	—	(3,265)
CLN – conversion	—	—	(590)	—	—	—	(590)
Share based payment charge	—	—	—	737	—	—	737
Total comprehensive expense for the year	—	—	—	—	—	(2,667)	(2,667)
At 31 December 2018	**97,692**	**139,879**	**—**	**2,590**	**56,652**	**(228,126)**	**68,687**

Year ended 31 December 2019	**Share Capital $'000**	**Share Premium $'000**	**Other Equity $'000**	**Share Based Payment Reserve $'000**	**Merger Reserves $'000**	**Accumulated Losses $'000**	**Total Equity $'000**
At 1 January 2019	97,692	139,879	—	2,590	56,652	(228,126)	68,687
Issue of ordinary shares	—	—	—	—	—	—	—
Share based payment charge (Note 21)	—	—	—	1,038	—	—	1,038
Total comprehensive expense for the year	—	—	—	—	—	(1,707)	(1,707)
At 31 December 2019	**97,692**	**139,879**	**—**	**3,628**	**56,652**	**(229,833)**	**68,018**

Consolidated Statement of Cash Flows

for the year ended 31 December 2019

(Expressed in United States Dollars)		Note	2019 $'000	2018 $'000
Operating Activities				
Loss before taxation			**(14,055)**	(4,091)
Adjustments for:	Translation difference		**(63)**	330
	Finance cost – loans and interest	7	**174**	592
	Finance income		**(138)**	(93)
	Finance cost – decommissioning provision	24	**1,198**	1,557
	Share based payment charge	21	**1,038**	737
	DD&A	11-13	**9,772**	10,694
	Loss on disposal of assets	11	**—**	(6)
	Impairment of property, plant and equipment	11	**15,187**	2,561
	Unsecured creditors' claims		**—**	(192)
			13,113	12,089
Changes In Working Capital				
Inventories		17	**(1,454)**	28
Trade and other receivables		18	**3,638**	(9,513)
Trade and other payables		25	**1,797**	2,731
			17,094	5,335
Income taxation paid			**(316)**	(128)
Net Cash Inflow From Operating Activities			**16,778**	5,207
Restructuring related payments				
T&T[1] State creditors (MEEI[2] & BIR[3])			**—**	(5,835)
			—	(5,835)
Investing Activities				
Purchase of Exploration and Evaluation ("E&E") assets		13	**(476)**	(170)
Purchase of computer software		13	**(99)**	(26)
Purchase of property, plant and equipment		11	**(12,156)**	(12,264)
Net Cash Outflow From Investing Activities			**(12,731)**	(12,460)
Financing Activities				
Issue of shares (net of costs)		20	**—**	12,361
Repayment of Convertible Loan Note ("CLN")			**—**	(770)
Finance income			**138**	—
Finance cost			**—**	(94)
Cash payment on leases			**(576)**	—
Net Cash (Outflow)/Inflow From Financing Activities			**(438)**	11,497
Increase/(Decrease) in Cash and Cash Equivalents			**3,609**	(1,591)
Cash and Cash Equivalents				
At beginning of year			**10,201**	11,792
Increase/(Decrease) in Cash and Cash equivalents			**3,609**	(1,591)
At end of year		19	**13,810**	10,201

1 Trinidad & Tobago ("T&T")
2 Ministry of Energy and Energy Industries of Trinidad & Tobago ("MEEI")
3 Board of Inland Revenue of Trinidad & Tobago ("BIR")

Company Statement of Cash Flows

for the year ended 31 December 2019

(Expressed in United States Dollars)	Note	2019 $'000	2018 $'000
Operating Activities			
Loss before taxation		**(1,707)**	(2,667)
Adjustments for:			
Translation differences		**1**	10
Finance income		**(233)**	(215)
Finance cost		**—**	418
Share based payment charge		**221**	123
		(1,718)	(2,331)
Changes In Working Capital			
Trade and other receivables		**(4,015)**	(4,088)
Trade and other payables		**6,730**	(802)
		2,715	(4,890)
Taxation Paid		**—**	—
Net Cash Inflow/(Outflow) from Operating Activities		**997**	(7,221)
Financing Activities			
Finance income		**233**	215
Finance cost		**—**	(94)
Capital contributed to subsidiary	10	**—**	(6,459)
Issue of shares (net of costs)	20	**—**	12,361
Repayment of CLN		**—**	(770)
Net Cash Inflow from Financing Activities		**233**	5,253
Increase/(Decrease) In Cash and Cash Equivalents		**1,230**	(1,968)
Cash and Cash Equivalents			
At beginning of year		**4,056**	6,024
Increase/(Decrease) in Cash and Cash equivalents		**1,230**	(1,968)
At End of Year	19	**5,286**	4,056

Notes to the Consolidated Financial Statements

31 December 2019

(Expressed in United States Dollars)

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 Group of Trinity Exploration & Production plc and its subsidiaries.

Background

Trinity Exploration & Production plc ("Trinity" or "the Company" or "Parent") is an independent energy company limited by shares and listed on the Alternative Investment Market ("AIM") 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"). Trinity and its subsidiaries (together "the Group") are involved in the exploration, development and production of oil reserves in T&T.

Basis of Preparation

This consolidated financial information has been prepared on a going concern basis, in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"), IFRS Interpretations Committee ("IFRS IC") interpretations as adopted by the EU and those parts of the Companies Act 2006 as applicable to companies reporting under IFRS. 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 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 $1.7 million (2018: $2.7 million loss).

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, and therefore the Company's, current financial position, budget and various cash flow forecast scenarios. The Directors have attempted to consider the 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. This going concern assessment has taken into account the current measures being put in place by the Group to preserve cash and reduce discretionary expenditure during a period when the Group is having to rapidly adapt to a significantly lower oil price environment.

The Group started 2020 with a strong operating and financial position, a 2019 average production rate of 3,007 bopd (Q1 2020 3,291), cash in hand and at bank of $13.8 million (Q1 2020 $14.2 million (unaudited)), no outstanding debt, crude oil hedges in place and undrawn credit facilities of $2.7 million, repayable on demand, which are available for general working capital purposes).

In making their going concern assessment, the Directors have considered what they consider to be a wide range of plausible scenarios for future oil prices, production volumes and discretionary expenditure reductions which could be implemented in response to differing oil price and production scenarios.

In making their going concern assessment the Board has looked at a number of forecast scenarios, the principal two of which are summarised below:

1. Base Case

The Base Case forecast assumes:

> Future oil prices are in line with the forward curve prevailing as at the end of April 2020, with an average realised oil price of $26.8/bbl in the period to May 2021. The forward price curve applied in the Base Case starts at $15.4/bbl in May 2020, increasing each month up to $31.37/bbl in May 2021;

> Average 2020 forecast production of 3,271 bopd and average 2021 forecast to May production of 3,123 bopd, with production being maintained by RCPs, WOs and swabbing activities but no new drilling (Q1 2020 actual average production rate of 3,291 bopd);

1. Background and Summary of significant accounting policies (continued)

Going Concern (continued)

> The benefit of cost reduction measures across Opex, G&A and Capex which have already been implemented by the Group;

> The Group receives the benefit of the crude oil price hedges currently in place; and

> The Group repays the CIBC $2.7 million bank facility in October 2020 and does not receive any cash in relation to the $2.7 million VAT Bonds for which the Group has applied to the BIR.

The Base Case forecast showed that the Group will remain in a relatively strong financial position for the next twelve months, being able to pay its debts as they fall due, with available cash in May 2021 of approximately $16.0 million. Management considers this is a reasonable scenario that reflects its best estimate of the future oil price, production profile and cost savings which have already been implemented.

2. Risked Case

The Risked Case forecast is essentially a stress test which assumes:

> A flat oil price of $10.0/bbl over the period May 2020 to May 2021. This assumption represents a 63% decline on the forward curve assumed in the Base Case;

> Average 2020 forecast production of 2,829 bopd and average 2021 forecast production to May of 2,566 bopd, with production stressed to reflect the potential impact of reduced operational capability due to COVID-19. These represents a 15% decline in the production assumptions used in the Base Case in the period from January 2020 to May 2021, equivalent to a loss of an average 475 bopd over that period;

> Additional cost reductions of $2.8 million can be implemented across Opex and G&A, reflecting the reduced activity associated with the lower forecast production profile, and other cost saving measures which Management are confident can be implemented; and

> All other assumptions remain the same as the Base Case above.

The Board considers that these assumptions represent a relatively severe scenario but, given the difficulty of predicting the impact of the COVID-19 pandemic, they are not entirely implausible. The Risked Case forecast showed that, whilst the Group would still be able to pay its debts as they fall due over the next twelve months, the Group's financial position would deteriorate significantly with ending cash in May 2021 of approximately $4.0 million. This scenario relies on the ability of Management to implement the planned cost reduction measures, and it is also important to note that the Group's financial position would deteriorate further were these severe conditions to continue beyond the twelve month going concern forecast period. Should such a severe scenario arise and persist during the next twelve months, the Board will consider various means by which to adapt the business model in order to create additional financial headroom.

Based on these scenarios, when combined with mitigating actions that are within the Group's control, and having considered the potential impact of a period of operational disruption from the COVID-19 pandemic, the Directors currently believe the Group can maintain sufficient liquidity and a positive cash balance, and remain in operational existence, for at least the next twelve months.

The Board has carried out a robust assessment of the principal risks facing the Group as a result of the COVID-19 pandemic and reduced oil price, including those that would threaten its crude oil production and disposal, future performance, solvency or liquidity. The Board has also considered its ability to mitigate the principal risks facing the Group. Whilst the Board is confident of its ability to mitigate the principal risks facing the Group in most circumstances, the occurrence of certain risk events, when combined with the Risked Scenario assumptions set out above, give rise to a material uncertainty regarding the Group's ability to continue as a going concern.

As a result, at the date of approval of the financial statements, there are material uncertainties over the potential impact of COVID-19 on the Group's operational activities, as a result of its potential impact on the oil price, and should Management be unable to implement mitigating plans including cost reduction measures. These material uncertainties may cast significant doubt upon the Group's and Company's ability to continue as a going concern. Notwithstanding these material uncertainties, the Directors have a reasonable expectation that the Group has adequate resources to continue in existence for at least twelve months post approval of these financial statements and is poised for continued growth when market conditions 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 financial statements. Accordingly, the financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

New and amended standards adopted by the Group:

The Group, and Company has applied the following standards and amendments for the first time for annual reporting period commencing 1 January 2019:

IFRS 16 Leases	IFRS 16, is a new accounting standard which resulted in certain leases being recognised on the balance sheet or Consolidated Statement of Financial Position, as the distinction between operating and finance leases was removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The impact of adoption is discussed under Changes in accounting policies (Adoption of IFRS 16 Leases ("IFRS 16").	Periods beginning on / after 1 January 2019
IFRS 9 Financial Instruments - Amendment	The standard IFRS 9 has been effective from January 2018, but after its first year, there is an amendment, *Prepayment Features with Negative Compensation*. This amendment relates to the classification of certain financial assets, namely those with specific prepayment options. The amendment had no impact to the Financial statements as Trinity does not have prepayments with specific payment options.	Periods beginning on / after 1 January 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	It may be unclear how tax law applies to a particular transaction or circumstance, or whether the BIR will accept Trinity's tax treatment. International Accounting Standards ("IAS") 12 *Income Taxes* specifies how to account for current and deferred tax, but not how to reflect the effects of uncertainty. IFRIC 23 provides requirements that add to the requirements in IAS 12 by specifying how to reflect the effects of uncertainty in accounting for income taxes. This new standard has no impact on Trinity's Income taxes	Periods beginning on / after 1 January 2019

The Group also elected to adopt the following amendments early:

Amendments to IAS 1 and IAS 8	The amendment relates to the definition of material information. According to the new definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.	Periods beginning on / after 1 January 2020

The Group had to change its accounting policies as a result of adopting IFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019.

New and amended standards not yet adopted by the Group:

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

IFRS 3 Business Combinations - Amendments	The newest amendment introduces a new definition of business combination. It is very important to distinguish between the situations when the investor acquires a business or when the investor acquires just a group of assets. To identify whether an acquired set of activities or assets is not a business, there is an optional fair value concentration test. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The test is based on gross assets, not net assets. Under IFRS 3 the reason for the distinction is that the accounting method for the new acquisition depends on what it is: If you acquire a business, then you apply full consolidation method under IFRS 3, If you acquire a group of assets, then you apply different accounting method, e.g. under IAS 16 Property, plant and equipment or under IFRS 11 Joint Operations, or other.	Periods beginning on / after 1 January 2020

Notes to the Consolidated Financial Statements (continued)

1. Background and Summary of significant accounting policies (continued)

Changes in accounting policies

Adoption of IFRS 16 Leases ("IFRS 16")

The Group adopted IFRS 16, effective 1 January 2019 but has not restated comparatives for the 2018 reporting period, as permitted under the simplified transitional approach. This is a new accounting standard resulting in almost all leases being recognised on the Consolidated Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term (less than twelve months) and low-value leases (less than $5,000).

On adoption of IFRS 16, the Group has recognised ROU assets and lease liabilities, but under the practical expedient permitted by the standard, elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 determining whether an arrangement contains a Lease.

a) **Adjustments recognised on adoption of IFRS 16**

ROU assets and Lease Liabilities recognised in the Consolidated Statement of Financial Position.

ROU recognised	31 December 2019 $'000	01 January 2019 $'000
Non-current assets:		
Copiers	8	21
Vehicles	1,040	—
Rental house	59	79
Office Building	295	393
	1,402	**493**
Lease Liabilities recognised		
Current lease liabilities	637	151
Non-current lease liabilities	841	342
	1,478	**493**

The ROU assets relate to Motor vehicles, Office building, Staff house and Office equipment leases that met the recognition criteria of a Lease under IFRS 16.

i. *Impact on Earnings per share*

	IAS 17 $'000	IFRS 16 $'000	Difference $'000
Expenses			
Production costs	16,857	16,426	431
G&A expenses	5,732	5,589	143
DD&A	9,295	9,772	(477)
Net Finance cost	1,061	1,234	(173)
	32,941	33,017	(76)
Total Comprehensive Income for the period	**(9,486)**	**(9,562)**	**(76)**
Earnings per Share	(0.02)	(0.02)	

ii. *Measurement of lease liabilities*

	2019 $'000
Operating lease commitments disclosed as at 31 December 2018	588
Discounted using the lessee's incremental borrowing rate as at the date of initial application	493
Lease liability recognised as at 1 January 2019	**493**
Of which are:	
Current lease liabilities	151
Non-current lease liabilities	342
	493

iii. *Practical expedients applied*

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

> the use of a single discount rate to a portfolio of leases with reasonably similar characteristics

> the accounting for operating leases with a remaining lease term of less than twelve months as at January 2019 as short-term leases

> the exclusion of initial direct costs for the measurement of the ROU asset at the date of initial application,

> and the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has chosen to measure the ROU assets recognised at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, immediately before the date of adoption for all ROU assets recognised. There is therefore no adjustment to opening retained earnings.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4 determining whether an arrangement contains a Lease.

b) **The Group's leasing activities and how these are accounted for:**

The Group has lease agreements for various types of assets; motor vehicles, office buildings, staff house and office equipment leases are typically made for fixed terms ranging between one to three years but may have extension options.

Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases or finance leases, and the Group had no finance leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using a 9.25% incremental borrowing rate, being the rate that the Group believes it would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

> the amount of the initial measurement of lease liability;

> any lease payments made at or before the commencement date less any lease incentives received;

> any initial direct costs; and

> restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less. Low-value assets comprise of assets valued less than $5,000.

Notes to the Consolidated Financial Statements (continued)

1. Background and Summary of significant accounting policies (continued)

Basis of consolidation

The consolidated 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. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. 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 currency of the Group operating entities is Trinidad & Tobago Dollars ("TTD") as this is the currency 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:

	2019 $	2019 £	2018 $	2018 £
Average rate TTD= $/£	**6.759**	**8.617**	6.762	9.107
Closing rate TTD= $/£	**6.762**	**8.965**	6.781	8.644

(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.

FX gains/losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other FX gains/losses are presented in the statement of profit or loss on a net basis within administrative expenses.

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 such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(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".

Notes to the Consolidated Financial Statements (continued)

1. Background and Summary of significant accounting policies (continued)

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.

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&Es assets' fair value less costs of disposal 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&Es 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 (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 capital 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 fair value less costs of disposal 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.

Notes to the Consolidated Financial Statements (continued)

1. Background and Summary of significant accounting policies (continued)

(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	Twenty years
Plant and equipment	Four years
Other	Four 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 have an indefinite useful life, for example, goodwill, are not subject to amortisation and are tested for impairment. 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 Fair Value less Costs of Disposal ("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 other than goodwill 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 average cost method.

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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

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

There are four types of financial assets that 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 costs 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, 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 liabilities 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 assets 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 liabilities 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.

Notes to the Consolidated Financial Statements (continued)

1. Background and Summary of significant accounting policies (continued)

Property Tax

PT are 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 rate applicable to the Group are industrial with building rates at 6% and industrial without building 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, 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") (together "Heritage/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.

Crude oil revenue is recognised when title of the crude has passed to the buyer by means of a sales ticket document. 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/Petrotrin, 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.

Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the Consolidated Statement of Financial Position date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in comprehensive income in the period in which they are incurred.

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.

Leases

The Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described in Note 12 and the impact of the change seen in section Changes in accounting policies.

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases.

Finance leases were capitalised, at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases see Note 29. Payments made under operating leases (net of any incentives received from the lessor) were charged to the Income on a straight-line basis over the period of the lease.

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 Other Expenses) are measured at fair value through profit and loss.

Financial assets at fair value through profit or loss is 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.

Operating segment information

The steering committee is 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 steering committee of the Executive Management Team which comprises of; the Executive Chairman, Managing Director, Chief Operations Officer and Chief of Staff & General Counsel, that makes strategic decisions in accordance with Board policy.

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 material items of income or expense that have been shown separately due to the non-recurring nature and the significance of their nature or amount.

Notes to the Consolidated Financial Statements (continued)

2. Financial Risk Management

Financial Fisk factors

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Risk Management is carried out by Management. Management identifies and evaluates financial risks.

(a) **Market risk**

(i) *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.

At 31 December 2019, if the functional currency of the main operating subsidiary had weakened/ strengthened by 10% against the US dollar with all other variables held constant, post-tax profit/(loss) for the year would have been $3.0 million (2018: $2.9 million) lower/higher , mainly as a result of FX gain/losses on translation of USD-denominated borrowings and sales.

(ii) *Price risk*

The Group is exposed to commodity price risk regarding its sales of crude oil which is an internationally traded commodity.

At 31 December 2019, if commodity prices had been 20% higher/lower with all other variables held constant, post-tax profit/(loss) for the year would have been $12.7 million (2018: $12.5 million) lower/higher. The sensitivity doesn't take into consideration the impact of the oil price derivative financial instruments in place.

(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 maintain a balance between floating and fixed contract rates.

At 31 December 2019, there were no loan commitments to attract interest rates on foreign currency-denominated borrowings, (2018: nil).

(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 – Petrotrin until 30 November 2018 and Heritage effective 1 December 2018.

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 mainly with the Petrotrin outstanding sales receipts. A provision matrix was applied to determine the historical and forward looking loss rates which was used to ultimately calculate an estimated credit loss allowance, which resulted in a provision being made of $0.2 million.

For the Heritage sales, the ECL was nil as all sales payment were made during the stipulated time frame. However, ECL was also calculated on other receivable balances and a provision of $0.4 million was derived. 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 $13.8 million (2018: $10.2 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 amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

At 31 December 2019	Less than 1 year $'000	More than 1 year $'000	Total Contractual Cash flows 2019 $'000	Carrying amount $'000
Non-derivatives				
Trade and other payables	10,386	—	10,386	10,386
Decommissioning	—	44,330	44,330	44,330
Total Non-derivatives	**10,386**	**44,330**	**54,716**	**54,716**
At 31 December 2018				
Non-derivatives				
Trade and other payables	9,147	—	9,147	9,147
Decommissioning	—	41,803	41,803	41,803
Total Non-derivatives	**9,147**	**41,803**	**50,950**	**50,950**

(d) **Capital risk management**

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. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus Net Cash/(Debt)

	2019 $'000	2018 $'000
Net cash	**(13,810)**	(10,201)
Total equity	**50,425**	58,949
Total capital	**36,615**	48,748
Gearing ratio	**(37.7%)**	(20.9%)

(e) **Fair value estimation**

The Group and Company have classified its 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.

Notes to the Consolidated Financial Statements (continued)

2. Financial Risk Management (continued)

(e) Fair value estimation (continued)

Fair value measurements using significant unobservable inputs (Level 3)

	$'000
1 January 2019	—
Gains recognised	7
Expense	78
31 December 2019	**85**

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 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 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.

(b) Provision for decommissioning costs

This provision is significantly affected by changes in technology, laws and regulations which may affect the actual cost 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 ranging between 2.13%-3.07% (2018: 2.69%-2.90%) and a core inflation rate at 2% (2018: 2%), See Note 24: Provision for other liabilities. The impact in 2019 of a 1% change in these variables is as follows:

	Consolidated Statement of Financial Position: Obligation 2019 $'000	Consolidated Statement of Comprehensive Income/ Expense 2019 $'000
Discount rate		
1% increase in assumed rate	(6,794)	167
1% decrease in assumed rate	8,212	(273)
Inflation rate		
1% increase in assumed rate	8,199	231
1% decrease in assumed rate	(6,907)	(193)

(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 2019 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.

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, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows.
> Depreciation and amortisation charges in profit or loss may change where such charges are determined using the unit of production method, or where the useful life of the related assets change.
> 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.
> 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.

As at 31 December 2019 all subsidiaries onshore and offshore proved and probable ("2P") reserve estimates were re-evaluated by Management 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 fair value less costs of disposal and values in use 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 2019 an impairment charge of $15.2 million was recognised on the Group's property, plant and equipment (2018: $2.6 million) see Note 11. The impairment charge resulted in the carrying amount of the respective CGUs being written down to their recoverable amount.

Oil & Gas Assets $15.2 million (2018: $2.6 million) impairment

As part of this assessment, 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 nine to twenty three 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 2018 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; 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.

	2020	2021	2022	2023	2024	2025
Realised price	58.6	54.1	52.0	51.4	51.5	52.1

If the price deck used in the impairment calculation had been 10% lower than Management's estimates at 31 December 2019, the Group would have $3.5 million decrease on impairment of Oil & Gas Assets (2018: $3.4 million increase), resulting from the impact of SPT being incurred in the base case, with a long-term realised price of $52.8/bbl, but not in the 10% sensitivity. A lower realised price, below the SPT threshold price, will increase the FVLCD, and decrease the impairment charge. If the price deck used in the impairment calculation had been 10% higher than Management's estimates at 31 December 2019, the Group would have $6.0 million decrease on impairment of the Oil & Gas Assets (2018: $0.2 million decrease). Oil price forecasts at end of March 2020 indicate a long-term price of $42.8/bbl, which would have resulted in an additional $4.1 million increase in the impairment charge. The valuation is considered to be a level three in the fair value hierarchy due to unobservable inputs used in the valuation.

3. Critical Accounting Estimates and Judgements (continued)

For the year ended 31 December 2019, Management's estimate of the Group's cost of capital was 13% (2018:13%). If the estimated cost of capital of 13% (2018: 13%) used in determining the post-tax discount rate for the CGU's had been 1% lower than Management's estimates, the Group would have $0.7 million decrease on impairment position for 2019 (2018: $0.6 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 $0.7 million increase on impairment for 2019 (2018: $0.6 million).

(e) **Impairment of intangible E&E assets**

At the end of a review for impairment triggers was carried out and there were no further 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.

4. Segment Information

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 (previously Petrotrin until 30 November 2018). All non-current assets of the Group are located in T&T.

5. Operating Profit Before Exceptional Items

	Notes	2019 $'000	2018 $'000
Operating profit before exceptional items is stated after taking the following items into account:			
DD&A	11	**9,218**	10,664
Depreciation on ROU	12	**477**	—
Amortisation of computer software	13	**77**	30
Employee costs	30	**7,773**	7,972
Operating lease rentals		**—**	568
Inventory recognised as expense, charged to operating expenses		**104**	175

Auditors' remuneration

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's Auditors as detailed below:

	2019 $'000	2018 $'000
- Fees payable to the Company's auditors' and their affiliated firms for the audit of the parent Company and consolidated financial statements:		
> PricewaterhouseCoopers LLP (UK based)	**153**	153
> PricewaterhouseCoopers Limited (T&T based)	**124**	95
- Fees payable to the Company's auditors' for other services:		
> The audit of Company's subsidiaries	**20**	18
> Audit related assurance services – interim review	**38**	35
Total assurance	**335**	301
Tax advisory	**—**	3
Other advisory	**—**	12
Total auditors' remuneration	**335**	316

All fees are in respect of services provided by PricewaterhouseCoopers 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.

6. Exceptional Items

Items that are material either because of their size or their nature, and 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 as exceptional expenses below operating profit in the Consolidated Statement of Comprehensive Income. An analysis of the amounts presented as exceptional items in these financial statements are highlighted below.

	Notes	2019 $'000	2018 $'000
Exceptional items:			
Reversal of bad debt written off		—	(205)
Unsecured creditor compromise		—	(70)
Impairment of property, plant and equipment	11	**15,187**	2,561
Fees relating to corporate restructuring		—	26
Exceptional charge/(credit)		**15,187**	2,312

Exceptional items 2019:

Impairment on Property, Plant and Equipment
$15.2 million charge resulting from impairment losses in Onshore and West Coast assets

Exceptional items 2018:

Reversal of Bad debt
$0.2 million gain recovered in UK Value Added Tax ("VAT") relating to 2013 previously written off in 2017

Unsecured creditor compromise
$0.1 million gain under the creditor settlements arising from compromised balances with suppliers

Impairment on Property, Plant and Equipment
$2.6 million charge resulting from impairment losses in Onshore and West Coast assets

Fees relating to corporate restructuring
$0.0 million charge in relation to trustee fees incurred in 2018 in wrapping up the state creditor process

7. Finance income

	2019 $'000	2018 $'000
Interest Income	**138**	93

Finance costs

	Notes	2019 $'000	2018 $'000
Decommissioning – Unwinding of discount	24	**(1,198)**	(1,557)
Interest on Leases		**(174)**	—
Interest on loans		—	(592)
		(1,372)	(2,149)

Notes to the Consolidated Financial Statements (continued)

8. Income Taxation

	Notes	2019 $'000	2018 $'000
Current tax			
Petroleum profits tax		**—**	5
Unemployment levy		**390**	—
Deferred Tax			
Current year			
Movement in asset due to tax losses recognised	16	**(3,389)**	(1,794)
Movement in liability due to accelerated tax depreciation	16	**(1,409)**	3,059
Income tax (credit) /expense		**(4,408)**	1,270

The Group's effective tax rate varies from the statutory rate for UK companies of 19% (2018:19%) as a result of the differences shown below:

	2019 $'000	2018 $'000
Loss before taxation	**(14,055)**	(4,091)
Tax (credit)/charge at expected rate of 19% (2018: 19%)	**(2,670)**	(777)
Effects of:		
Higher overseas tax rate	**1,525**	28
Disallowable expenses	**5,516**	1,917
Allowable expenses	**(635)**	(9,549)
Tax losses recognised for DTA	**8,366**	3,363
Tax losses utilised to recognise DTA	**(7,905)**	10,860
Movement in losses recognised	**(3,389)**	—
Deferred tax asset previously recognised	**(5,973)**	(4,197)
Green Fund and Business Levy	**446**	230
Other differences	**311**	(605)
Income Tax (credit)/expenses	**(4,408)**	1,270

Taxation losses at 31 December 2019 available for set off against future taxable profits amounts to approximately $240.2 million (2018: $244.1 million). Tax losses of $17.0 million were recognised as DTA in 2019 (2018:$10.9 million). These losses do not have an expiry date and have not yet been confirmed by the BIR and Her Majesty Revenue and Customs of the United Kingdom ("HMRC").

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.

Year ended 31 December 2019	(Loss)/ Earnings $'000	Weighted Average Number Of Shares '000	Earnings Per Share $
Basic	**(9,562)**	**384,049**	**(0.02)**
Diluted	**(9,562)**	**384,049**	**(0.02)**
Year ended 31 December 2018			
Basic	(5,321)	330,579	(0.02)
Diluted	(5,321)	330,579	(0.02)

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 comprising 32,073,822 less forfeited 283,004 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 2019 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 2019.

10. Investment In Subsidiaries

Company	**2019 $'000**	2018 $'000
Opening balance	**58,489**	51,416
Capital contributed to subsidiary	**—**	6,459
Share based payment	**817**	614
Closing balance	**59,306**	58,489

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 2019 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	99.99998 %
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 %
Galeota Oilfield Services Limited	Trinidad address	Oil and Gas	100 %
Trinity Exploration and Production (Galeota) Limited	Trinidad address	Oil and Gas	100 %
Oilbelt Services Limited	Trinidad address	Oil and Gas	100 %
Ligo Ven Resources 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 %

Notes to the Consolidated Financial Statements (continued)

10. Investment In Subsidiaries (continued)

Name	Registered Address /Country of Incorporation	Nature of Business	% Shares held by the Group
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

Year ended 31 December 2019	Plant & Equipment $'000	Leasehold & Buildings $'000	Oil & Gas Assets $'000	Other $'000	Total $'000
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 24)	—	—	1,031	—	1,031
Impairment[1]	—	—	(15,187)	—	(15,187)
DD&A charge for year	(190)	(164)	(8,864)	—	(9,218)
Translation difference	—	—	(1)	—	(1)
Closing net book amount at 31 December 2019	**1,141**	**1,652**	**39,587**	**—**	**42,380**
At 31 December 2019					
Cost	13,760	3,356	298,129	336	315,581
Accumulated DD&A and impairment	(12,619)	(1,704)	(259,291)	(336)	(273,950)
Translation difference	—	—	(1)	—	(1)
Closing net book amount	**1,141**	**1,652**	**39,587**	**—**	**42,380**

Year ended 31 December 2018	Plant & Equipment $'000	Leasehold & Buildings $'000	Oil & Gas Assets $'000	Other $'000	Total $'000
Opening net book amount at 1 January 2018	3,767	1,726	46,957	—	52,450
Disposal	—	(6)	—	—	(6)
Additions	483	135	11,646	—	12,264
Adjustment to decommissioning estimate (Note 24)	—	—	2,076	—	2,076
Impairment[1]	—	—	(2,561)	—	(2,561)
Reclassification of assets between categories	(2,470)	—	2,470	—	—
DD&A charge for year	(818)	(150)	(9,696)	—	(10,664)
Translation difference	—	—	40	—	40
Closing net book amount at 31 December 2018	**962**	**1,705**	**50,932**	**—**	**53,599**
At 31 December 2018					
Cost	13,391	3,245	286,172	336	303,144
Accumulated DD&A and impairment	(12,429)	(1,540)	(235,280)	(336)	(249,585)
Translation difference	—	—	40	—	40
Closing net book amount	**962**	**1,705**	**50,932**	**—**	**53,599**

1. An impairment loss of $15.2 million (2018: $2.6 million) was recognised on Oil & Gas Assets (see Note 3 (e)) 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.

12. Leases

On adoption of IFRS 16, 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 2019 $'000	01 January 2019 $'000
ROU assets		
Non-current assets	1,402	493
Lease Liabilities		
Current	637	151
Non-current	841	342
	1,478	**493**

The ROU assets relate to motor vehicles, office building, staff house and office equipment leases that met the recognition criteria of a Lease under IFRS 16.

On 1 January 2019, the Group adopted IFRS 16 and recognised lease assets and lease liabilities in relation to leases agreements that were previously classified as 'operating leases' under IAS 17, 'Leases'. Costs associated with operating leases were previously presented in Operating Expenses. For adjustments recognised on adoption of IFRS, please refer to Note 1.

Additions to the right-of-use assets during the 2019 financial year were $0.1 million

(ii) *Amounts recognised in the Consolidated Statement of Comprehensive Income*

The Consolidated Statement of Comprehensive Income shows the following amounts relating to leases:

	2019 $'000	2018 $'000
Depreciation charge of ROU assets		
Depreciation	**(477)**	—
Interest expense (including finance cost)	**(173)**	—

The total cash outflow for leases in 2019 was $0.6 million

(iii) *The Group's leasing activities and how these are accounted for*

The Group leases various offices, equipment, staff house and vehicles. Rental contracts are typically made for fixed periods of six months to four years but may have extension options as described in (iv) below.

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.

Until the 2018 financial year, leases of property, plant and equipment were classified as operating leases, see Note 1 for details. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

> fixed payments (including in-substance fixed payments), less any lease incentives receivable;

> variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

> amounts expected to be payable by the Group under residual value guarantees;

Notes to the Consolidated Financial Statements (continued)

12. Leases (continued)

> the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
> payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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 First Citizens Bank Limited (T&T based bank).

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the ROU asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. ROU assets are measured at cost comprising the following:

> the amount of the initial measurement of lease liability;
> any lease payments made at or before the commencement date less any lease incentives received;
> any initial direct costs; and
> restoration costs.

ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Group applies the straight-line method of depreciation, where the ROU asset is depreciated over the lease term.

The Group has chosen to measure the ROU assets recognised at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, immediately before the date of adoption for all ROU assets recognised. There is therefore no adjustment to opening retained earnings.

(iv) *Extension and termination options*

Extension, and termination options are included in a few leases within 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).

13. Intangible Assets

The carrying amounts and changes in the year are as follows:

	Computer Software $'000	E&E assets $'000	Total $'000
At 1 January 2019	246	25,511	25,757
Additions	99	476	575
Amortisation	(77)	—	(77)
At 31 December 2019	**268**	**25,987**	**26,255**
At 1 January 2018	250	25,341	25,591
Additions	26	170	196
Amortisation	(30)	—	(30)
At 31 December 2018	**246**	**25,511**	**25,757**

Computer Software: In 2019, capital cost incurred for software acquisition. The initial capital costs were incurred in 2018 with a cost of $0.3 million, and a total accumulated depreciation to date of $0.1 million

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 (2018: nil)

14. Abandonment Fund

	2019 $'000	2018 $'000
At 1 January	**2,979**	1,650
Additions	**399**	1,329
At 31 December	**3,378**	2,979

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.

15. Performance Bond

	2019 $'000	2018 $'000
At 1 January and 31 December	**253**	253

A Performance Bond in favour of Heritage/Petrotrin was put in place on 3 July 2017 of $ 0.3 million at 1.75% rate per annum, executed with First Citizens Bank Limited and is effective until 31 December 2020. These funds have been restricted to a Fixed Deposit for thirty six months at the agreed interest rate of 1.25%. The Performance Bond is a requirement under the Lease Operatorship Agreements ("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

The analysis of DTA is as follows:

Group	2019 $'000	2018 $'000
DTA:		
-DTA to be recovered in more than 12 months	**(5,127)**	(5,238)
-DTA to be recovered in less than 12 months	**(4,235)**	(735)
DTL:		
-DTL to be settled in more than 12 months	**4,188**	5,598
Net DTA	**(5,174)**	(375)

The movement on the deferred income tax is as follows:

	2019 $'000	2018 $'000
At beginning of year	**(375)**	(1,641)
Movement for the year	**(4,725)**	1,334
Unwinding of deferred tax on fair value uplift	**(74)**	(68)
Net DTA	**(5,174)**	(375)

Notes to the Consolidated Financial Statements (continued)

16. Deferred Income Taxation (continued)

The deferred tax balances are analysed below:

	2017 $'000	Movement $'000	2018 $'000	Movement $'000	**2019 $'000**
DTA					
Acquisition	(33,436)	—	(33,436)	—	**(33,436)**
Tax losses recognised	(34,293)	(1,794)	(36,087)	(3,389)	**(39,476)**
Tax losses derecognised	63,550	—	63,550	—	**63,550**
	(4,179)	**(1,794)**	**(5,973)**	**(3,389)**	**(9,362)**

	2017 $'000	Movement $'000	2018 $'000	Movement $'000	**2019 $'000**
Accelerated tax depreciation	14,043	3,128	17,171	(1,337)	**15,834**
Non-current asset impairment	(33,214)	—	(33,214)	—	**(33,214)**
Acquisitions	19,580	—	19,580	—	**19,580**
Fair value uplift	2,129	(68)	2,061	(73)	**1,988**
	2,538	**3,060**	**5,598**	**(1,410)**	**4,188**

> 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. DTA of $3.4 million have been recognised (2018: $1.8 million was derecognised) based on future taxable profits over a three year outlook. The Group has unrecognised deferred tax asset amounting to $112.7 million (2018: $117.7 million) which have no expiry date.

> DTL have decreased by $1.4 million as the temporary difference between the accounting values of property, plant and equipment and intangible assets and tax values decreased compared to 2018 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).

17. Inventories

	Crude oil $'000	Materials and supplies $'000	Total $'000
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**
At 1 January 2018	130	3,636	3,766
Inventory movement	(41)	13	(28)
Impairment	—	—	—
At 31 December 2018	**89**	**3,649**	**3,738**

(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.

18. Trade and Other Receivables

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
Due within 1 year				
Amounts due from related parties (Note 26 (d))	**—**	—	**3,631**	6,539
Trade receivables	**5,307**	10,408	**—**	—
Less: provision for impairment of trade receivables	**(225)**	—	**—**	—
Trade receivables – net	**5,082**	10,408	**3,631**	6,539
Prepayments	**859**	846	**147**	50
VAT recoverable	**2,932**	1,610	**71**	34
Other receivables	**464**	479	**—**	—
	9,337	13,343	**3,849**	6,623

The fair value of trade and other receivables approximate their carrying amounts.

The Group applies the IFRS 9 simplified model for measuring ECL which uses a lifetime expected loss allowance and are measured on the days past due criterion.

Amounts due from related parties are repayable on demand and entities have the ability to repay if called immediately

Having reviewed past payment performance combined with the credit rating of Heritage/Petrotrin, a Provision matrix was completed to calculate a potential impairment on the receivable balances. Although all Heritage payments have been received on a timely basis, Petrotrin has long outstanding balances which give rise to a potential impairment. Consequently, a provision was calculated.

Trade receivables that are less than six months past due are not considered impaired and at 31 December 2019, trade receivables of $4.8 million (2018: $10.4 million) were therefore considered to be fully performing. At the end of 2018 a total of $6.7 million was outstanding from Petrotrin. During 2019 $6.2 million of this amount were received with a remaining balance of $0.5 million outstanding at the end of 2019. An ECL of $0.2 million was applied to the outstanding $0.5 million balance in the assessment of provision on the receivables amount. For Intercompany receivables an ECL of $0.1 million was calculated.

Ageing analysis of these trade receivables as at 31 December 2019 is as follows:

	2019 $'000	2018 $'000
Up to 30 days	**4,491**	7,616
> 60 days	**104**	2,792
> 180 days	**712**	—
	5,307	10,408

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	Group 2019 $'000	Group 2018 $'000	Company 2019 $'000	Company 2018 $'000
USD	**4,200**	7,918	**3,690**	6,547
GBP	**159**	62	**159**	76
TTD	**4,978**	5,363	**—**	—
	9,337	13,343	**3,849**	6,623

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.

18. Trade and Other Receivables (continued)

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	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Trade receivables				
Counterparties without external credit rating:				
Existing customers with no defaults in the past	**9,337**	10,408	**—**	—

All trade receivables are with the Group's only customer, Heritage/Petrotrin.

19. Cash and Cash Equivalents

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Cash and Cash equivalents	**13,810**	10,201	**5,286**	4,056
	13,810	10,201	**5,286**	4,056

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.

20. Share Capital and Share Premium

Group	Number of shares	No. Ordinary shares $'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 2018	377,199,972	96,676	125,362	222,038
Fully paid Issue of shares	101,649,260	1,016	14,517	15,533
As at 31 December 2018	**478,849,232**	**97,692**	**139,879**	**237,571**

The Company does not have a limited amount of authorised share capital

Within the Ordinary shares there are 94,799,986 deferred shares of USD 0.99 each totalling $93.9 million. The deferred shares have no voting or dividend rights and on a return of capital on a winding up, have no valuable economic rights

Year ended 31 December 2018	Number of shares	$'000	$'000	$'000	$'000
At 1 January 2018	377,199,972	2,824	93,852	125,362	222,038
New ordinary shares issued	101,649,260	1,016	—	—	1,016
Ordinary share premium	—	—	—	18,984	18,984
CLN discount	—	—	—	(3,265)	(3,265)
Cost of raising equity	—	—	—	(1,202)	(1,202)
At 31 December 2018	**478,849,232**	**3,840**	**93,852**	**139,879**	**237,571**

Note: $:GBP rate 1.312:1

21. 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 2019 the Group had in place share-based payment arrangements for its employees and Executive Directors, the LTIP. The Share Option Plan is fully vested and expensed. The current year charge through share based payments are in relation to the LTIP arrangements shown below, with further details of each scheme following:

	2019 $'000	2018 $'000
At 1 January	**13,290**	12,553
Share based payment expense:		
LTIP	**1,038**	737
At 31 December	**14,328**	13,290

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:

		2019		2018	
Grant-Vest	Expiry Date	Exercise price per share options	Number of Options	Exercise price per share options	Number of Options
2012-2015	2022	**GBP0.86**	**1,685,540**	GBP0.86	1,685,540
2013-2016	2023	**GBP1.20**	**289,544**	GBP1.20	289,544
			1,975,084		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 Executive Management and Executive Directors 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.

Notes to the Consolidated Financial Statements (continued)

21. Share Based Payment Reserve (continued)

2017 LTIPs

LTIP awards were granted in August 2017 over 25,415,998 ordinary shares ("2017 LTIP Award"). The 2017 LTIP Awards will normally vest on 30 June 2022, although they may vest in full or in part on 30 June 2020 or 2021 subject to meeting performance targets relating to:

> 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 following completion of the Fundraising 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. All of the CLNs were redeemed as part of the Fundraising 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 at that time. 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	24 August 2017
Share price at grant date	GBP 10.75
Exercise price	GBP 0.00
Expected volatility	73.3%
Risk-free interest rates	0.44%
Expected dividend yields	0%
Vesting period 1	30 June 2020
Vesting period 2	30 June 2021
Vesting period 3	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 Executive Management and Executive Directors 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%)	100% of the maximum award will vest	100% of the maximum award will vest
Above the Upper Quartile	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 three year performance period ending on 1 January 2021 and 31 December 2021 respectively. 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.

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 £20.0 million - £400.0 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 2018, the market cap range of £20.0 million to £400.0 million has been deemed appropriate, but the Remuneration Committee will review the appropriate range for each new LTIP grant.

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	**GBP 16.77**	GBP 14.66
Exercise price	**GBP 0.00**	GBP 0.00
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

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

	2019 Average exercise price per Share Option	**Number of Options**	2018 Average exercise price per Share Option	Number of Options
At 1 January	**GBP 0.00**	**25,415,998**	GBP 0.00	25,415,998
Granted	**GBP 0.00**	**6,656,824**		—
Forfeited	**GBP 0.00**	**(283,004)**		—
At 31 December	**GBP 0.00**	**31,789,818**	GBP 0.00	25,415,998

LTIPs outstanding at the end of the year have the following expiry date and exercise prices:

Grant-Vest	Expiry date	Exercise price	**2019**	2018
2017 - 2022	2022	GBP 0.00	**25,415,998**	25,415,998
2019 - 2021	2023	GBP 0.00	**2,824,000**	
2019 - 2022	2024	GBP 0.00	**3,549,820**	

Notes to the Consolidated Financial Statements (continued)

22. Merger and Reverse Acquisition Reserves

	Reverse Acquisition Reserve $'000	Merger Reserve $'000	Total $'000
At 1 January 2019	(89,268)	75,467	(13,801)
Movement	—	—	—
Translation differences	—	—	—
At 31 December 2019	**(89,268)**	**75,467**	**(13,801)**
At 1 January 2018	(89,268)	75,467	(13,801)
Movement	—	—	—
Translation differences	—	—	—
At 31 December 2018	**(89,268)**	**75,467**	**(13,801)**

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.

23 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 DD&A, ILFA, SOE, and Other Expenses (Non-Cash loss on oil price derivative financial instruments).

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:

	2019 $'000	2018 $'000
Operating Profit Before SPT & PT	**10,271**	6,720
DD&A	**9,772**	10,694
ILFA	**608**	—
SOE	**1,038**	737
FX (loss)/ gain	**76**	(17)
Other Expenses*: Loss on oil price derivative financial instruments	**78**	1075
Adjusted EBITDA	**21,843**	19,209
	$'000	$'000
Weighted average ordinary shares outstanding - basic	**384,049**	330,579
Weighted average ordinary shares outstanding - diluted	**415,840**	355,995
	$	$
Adjusted EBITDA per share - basic	**0.057**	0.058
Adjusted EBITDA per share - diluted	**0.053**	0.054

Notes (*): 2019 Other Expenses totalled $ 0.08 million: Cash $0.06 million and Non-Cash $0.02 million

Adjusted EBITDA after the impact of SPT & PT is calculated as follows:

	2019 $'000	2018 $'000
Adjusted EBITDA	**21,843**	19,209
SPT	**(7,413)**	(7,050)
PT	**(492)**	607
Adjusted EBITDA After SPT & PT	**13,938**	12,766

	$'000	$'000
Weighted average ordinary shares outstanding - basic	**384,049**	330,579
Weighted average ordinary shares outstanding - diluted	**415,840**	355,995

	$	$
Adjusted EBITDA After SPT & PT per share - basic	**0.036**	0.039
Adjusted EBITDA After SPT & PT per share - diluted	**0.034**	0.036

24. Provision for Other Liabilities

(a) **Non-current:**

Year ended 31 December 2019	Note	Decommissioning provision $'000
Year ended 31 December 2019		
Opening amount as at 1 January 2019		**41,802**
Unwinding of discount	8	**1,198**
Increase in provisions for new wells		**755**
Revision to estimates		**380**
Decommissioning contribution		**195**
Translation differences		**—**
Closing balance at 31 December 2019		**44,330**
Year ended 31 December 2018		
Opening amount as at 1 January 2018		37,151
Unwinding of discount	8	1,557
Increase in provision for new wells		1,164
Revision to estimates		867
Decommissioning contribution		1,074
Translation differences		(11)
Closing balance at 31 December 2018		**41,802**

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/Petrotrin 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.

Notes to the Consolidated Financial Statements (continued)

24. Provision for Other Liabilities (continued)

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:

a. Core inflation rate – 2% (2018: 2%)
b. Risk free rate – 2.13% - 3.07% (2018: 2.69% - 2.90%)
c. Estimated market value/decommissioning cost
d. Estimated life of each asset

See Note 3 (c): Critical Accounting Estimates and Assumptions for the rates used and sensitivity analysis.

(b) **Current**:

Year ended 31 December 2019	Litigation claims $'000	Closure of Pits $'000	Total $'000
Year ended 31 December 2019			
Opening amount as at 1 January 2019	115	232	347
Decrease in provision	(69)	—	(69)
Increase in provision	—	240	240
Closing balance at 31 December 2019	**46**	**472**	**518**
Year ended 31 December 2018			
Opening amount as at 1 January 2018	115	—	115
Increase in provision	—	232	232
Closing balance at 31 December 2018	**115**	**232**	**347**

Litigation claims

In 2019 a litigation amount was settled for $0.0 million.

Closure of Pits

In 2019 there was an increase in the provision of $0.2 million relating to the remedy and closure of pits associated with drilling new onshore wells. It is an environmental regulatory requirement set by the Environmental Management Authority ("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 testing criteria.

25. Trade and Other Payables

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Current				
Trade payables	**2,123**	3,076	**87**	58
Accruals	**5,039**	3,454	**421**	423
Other payables	**619**	701	**—**	—
SPT & PT	**2,605**	1,916	**—**	—
	10,386	9,147	**508**	481

26. 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) **Sales of services and loans issued to subsidiaries**

	Company	
	2019 $'000	2018 $'000
Company subsidiaries:		
Trinity Exploration and Production Services (UK) Limited	**(2,744)**	3,176
Trinity Exploration & Production (UK) Limited	**4**	14
Trinity Exploration and Production (Galeota) Limited	**120**	13
Bayfield Energy Limited	**29**	14
Oilbelt Services Limited	**(338)**	1,197
Trinity Exploration and Production (Trinidad and Tobago) Limited	**4**	(501)
Galeota Oilfield Services Limited	**3**	—
Trinity Exploration and Production Services Limited	**14**	179
	(2,908)	4,092

There were no sales of services and loans issued to subsidiaries between the Group.

(b) **Purchases of services**

There were no purchases of services for Group nor Company.

(c) **Key Management and Directors' compensation**

Key Management includes Directors (Executive & Non-Executive). The compensation paid or payable to Key Management for employee services is shown below:

		Group	
	Note	**2019 $'000**	2018 $'000
Salaries and short-term employee benefits		**1,305**	1,108
Post-employment benefits		**41**	33
Share-based payment expense	21	**1,038**	737
		2,384	1,878

(d) **Year-end balances arising from sales/purchases of services**

	Company	
	2019 $'000	2018 $'000
Receivables from related parties:		
Trinity Exploration and Production Services Limited	**881**	867
Trinity Exploration & Production (UK) Limited	**18**	14
Trinity Exploration and Production (Galeota) Limited	**133**	13
Bayfield Energy Limited	**43**	14
Oilbelt Services Limited	**859**	1,197
Galeota Oilfield Services Limited	**4**	—
Trinity Exploration and Production (Trinidad and Tobago) Limited	**411**	408
Trinity Exploration and Production Services (UK) Limited	**1,282**	4,026
	3,631	6,539

26. Related Party Transactions (continued)

Group

> The receivables from related parties arise mainly from inter-group recharges. The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties (2018: nil).

> The payables to related parties arise mainly from purchase transactions and are due two months after the date of purchase. The payables bear no interest.

27. Taxation Payable

	Group	
	2019 $'000	2018 $'000
Taxation payable		
PPT/ UL	**80**	—

28. Financial Instruments by Category

At 31 December 2019 and 2018, the Group held the following financial assets at amortised cost:

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Trade and other receivables – current*	**5,546**	10,887	**147**	6,623
Abandonment fund – non current	**3,378**	2,979	**—**	—
Cash and Cash equivalents	**13,810**	10,201	**5,286**	4,056
	22,734	24,067	**5,433**	10,679

Note (*): Excludes prepayments and VAT recoverable.

At 31 December 2019 and 2018, the Group held the following financial liabilities at amortised cost:

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Accounts payable and accruals	**10,386**	9,147	**508**	481
Decommissioning	**43,330**	41,802	**—**	—
	54,716	50,949	**508**	481

At 31 December 2019 and 2018, the Group held the following financial liabilities at fair value:

	Group		Company	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000
Derivative financial instrument	**85**	—	**85**	—
	85	—	**85**	—

29. Commitments and Contingencies

a) **Commitments**

There are commitments for decommissioning costs of the wells and facilities under the Group's agreements with Heritage/Petrotrin, which have been provided for as described in Note 24: Provision for other liabilities.

The Group leases vehicles, offices and copiers under cancellable lease agreements. The lease terms are between one and five years, and the majority of lease agreements are renewable at the end of the lease period. Under IFRS 16, the leases are recognised as ROU Assets and Lease liabilities in the Consolidated Statement of Financial Position. From the aforementioned group of leases, the leases that did not fit the recognition criteria under IFRS 16 and was recognised in the Consolidated Statement of Comprehensive Income. The lease expenditure charged to the Consolidated Statement of Comprehensive Income during the year is as follows:

	Group	
	2019 $'000	2018 $'000
Not later than 1 year	**—**	139
Later than 1 year and no later than 5 years	**5**	21
	5	160

b) **Contingent Liabilities**

i) The Farm-Out Agreement for the Tabaquite Block (held by Coastline International Inc.) has expired. There may be additional liabilities 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 has been established over the Point Ligoure, Guapo Bay & Brighton Marine Outer ("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 implies 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.

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) On 3 June 2017 a Performance Bond was established by the Group's Lease Operatorship Assets ("LOA"). A Performance Bond in the form of a cash deposit of $0.3 million in the name of the beneficiary Heritage/Petrotrin was established for due and punctual observance of the conditions, things and matters under the LOA effective until 31 December 2020. Non-performance to the terms of the LOA may result in the cash deposit being surrendered to Heritage/Petrotrin.

30. Employee Costs

	Note	**2019 $'000**	2018 $'000
Employee costs for the Group during the year			
Wages and salaries		**6,393**	6,602
Other pension costs		**342**	633
Share based payment expense	21	**1,038**	737
		7,773	7,972

	2019 Number	2018 Number
Average monthly number of people (including Executive and Non-Executive Directors') employed by the Group		
Executive and Non-Executive Directors	**7**	6
Administrative staff	**77**	76
Operational staff	**130**	120
	214	202

Notes to the Consolidated Financial Statements (continued)

31. Events after the Reporting Year

1. **Hedging**

The Company implemented two additional crude hedge options over the Group's monthly production on 3 January 2020 as follows:

Derivative	Floor $/bbl	Cap $/bbl	Strike Price $/bbl	Production Monthly bbls	Effective Date	Expiry Date
3-way Option	50.0	56.0	65.5	12,500	1-Jan-20	31-Dec-20
3-way Option	50.0	56.0	65.5	12,500	1-Jul-20	31-Dec-20

2. **Petrotrin Legacy Receipts**

There remains an outstanding payment for October and November 2018 crude oil revenues from Petrotrin amounting to $0.5 million at the end of 2019 (for which an ECL of $0.2 million was recognised). The Group has received $0.1 million of these delayed payments on 7 February 2020, with the remaining $0.4 million still outstanding.

3. **COVID-19 Pandemic and Oil Price Decline**

The impact of the COVID-19 virus on the demand for oil, and the inability of OPEC and Russia to agree sufficient supply curbs in a timely manner, has led to a significant decline in the oil price. WTI traded as high as $63.0/bbl in early January 2020, declining to $45.0/bbl as a result of reduced demand from COVID-19 in early March 2020, prior to the oil price war which subsequently drove prices lower than $20.0/bbl. On 12 April 2020, OPEC and Russia announced plans to reduce production output by nearly 10.0 mmbbls per day. However, concerns about storage capacity being exceeded led to oil-market history being made on 20 April 2020 when WTI prices dropped below zero for the first time (to minus $37.63/bbl). Although prices have since recovered somewhat, they remain below $30.0/bbl as at the last practicable date prior to approval of this Report on 12 May 2020, and there remains considerable uncertainty regarding oil price levels during the remainder of 2020, and possibly beyond.

The World Health Organisation ("WHO") officially declared the COVID-19 as a pandemic on 11 March 2020. Effective 22 March 2020, the Government of the Republic of T&T ("GORTT") closed T&T borders to international and national travelers via the air bridge and sea ports. Subsequently, the operations of only essential services were approved by the GORTT (which includes oil and gas companies within T&T).

The COVID-19 pandemic's impact on demand for oil, the subsequent fall in oil prices, and the potential operating disruption to oil and gas companies is an extremely challenging and evolving situation. Given the fluidity and significant volatility of these events, it is extremely difficult to predict their impact on the Group at this stage as the oil price environment is dependent on the interplay between global demand and supply, both of which are changing significantly. Nevertheless, having assessed the current impact of these various factors, and the potential impact of a prolonged economic downturn triggered by the COVID-19 pandemic, the Directors currently believe the Group can maintain sufficient liquidity and a positive cash balance, and remain in operational existence, for at least the next twelve months (see Going Concern note 1).

4. **CIBC Full Facility Drawdown**

Trinity fully drew down its $2.7 million overdraft facility with CIBC on 2 April 2020 as part of its strategy of maximising available cash during the short-medium term. The facility is a revolving overdraft credit available to the Group which is repayable upon demand to CIBC. Interest is required to be paid monthly on the principal and currently attracts an interest rate charge of 2.7% (US prime rate minus 6.3% per annum).

Glossary of terms

Abbreviation	Meaning
2P	Proved and probable resources
2C	Best estimate of contingent resources
Adjusted EBITDA	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 Other Expenses related to oil price derivative financial instruments ("hedge(s)")
AGM	Annual General Meeting
AIM	Alternative Investment Market of the London Stock Exchange plc
API	American Petroleum Institute
ARV	Annual Rental Value
ATV	Annual Taxable Value
bbl	barrel
BIR	Board of Inland Revenue of Trinidad & Tobago
BM	Brighton Marine
Brexit	Withdrawal of the UK from the EU
Board	Board of Directors
bopd	barrels of oil per day
boepd	barrels of oil equivalent per day
c.	circa (approximately)
CA 2006	Companies Act 2006 (as amended from time to time)
Capex	Capital expenditure
CGU	Cash generating units
CIMA	Chartered Institute of Management Accountants
CLN	Convertible Loan Notes previously in issue by the Group which were fully redeemed as part of the Group's fundraising in 2018
COSA	Crude Oil Sales Agreement
COVID-19	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.
DD&A	Depreciation, depletion and amortisation
DOA	Delegation of Authority
DTA	Deferred Tax Asset
DTL	Deferred Tax Liabilities
EAD	Exposure at Default
E&E	Exploration and Evaluation
ECTT	Energy Chamber of Trinidad and Tobago
EIA	Environmental Impact Assessment
ECL	Expected Credit Loss
EMA	Environmental Management Authority of Trinidad and Tobago
EMT	Executive Management Team
ESG	Environmental Social Governance
ESP	Electric Submersible Pump
EU	European Union

Glossary of terms (continued)

Abbreviation	Meaning
EUR	Estimated Ultimate Recovery
FCF	Free Cash Flow
FEED	Front End Engineering Design
FDP	Field Development Plan
FID	Final Investment Decision
FOA	Farmout Agreement
FRC	Financial Reporting Council
FVLCD	Fair Value less Costs of Disposal
FX	Foreign Exchange
G&A	General and Administrative expenses
GBP or £	Great British Pound
GHG	Green House Gases
GORTT	Government of the Republic of Trinidad and Tobago
Group	Trinity and its Subsidiaries
H	Half Year i.e. H1 means first half
HAW	High Angle Well
Hedge	Oil Price Derivative Financial Instruments
Heritage	Heritage Petroleum Group Limited
HMRC	Her Majesty Revenue and Customs of the United Kingdom
HSSE	Health, Safety, Security & Environment
IOC	Independent Oil Group
IP	Initial Production
IOR	Improved Oil Recovery
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IFRS IC	IFRS Interpretations Committee
ITC	Investment Tax Credits
ILFA	Impairment losses on Financial assets
JOA	Joint Operatorship Agreement
KPI(s)	Key Performance Indicator(s)
LGD	Loss Given Default
LLP	Limited liability partnership
LNG	Liquefied Natural Gas
LO	Lease Operator
LOA	Lease Operatorship Agreement
LTA	Lost Time Accidents
LTIP	Long-Term Incentive Plan
MEEI	Ministry of Energy and Energy Industries of Trinidad & Tobago
MM	million
Management	Board and EMT

Abbreviation	Meaning
mmbbls	million barrels
mmstb	million stock tank barrels
MPHU	Mechanical Pumping Hydraulic Unit
mt	metric tonnes
NDC	Nationally Determined Contribution
NE	North East
NOC	National Oil Company
NOS	Net Oil Sands
Operating Break-even	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)
OCF	Net Cash Flow from Operating Activities
Operating Expenses	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
Opex	Production costs
OPEC	Organization of the Petroleum Exporting Countries
Operating Profit	Operating Profit from business operations (Operating Revenues less Operating Expenses less SPT & PT less Exceptional items)
Other Expenses	Oil Price Derivative Financial Instruments also referred to as Hedge
ORR	Overriding Royalties
Paris Agreement	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.
PCP	Progressive Cavity Pumps
PD	Probability of Default
Petrotrin	The Petroleum Group of Trinidad and Tobago Limited
PGB	Point Ligoure-Guapo Bay-Brighton Marine Outer (West Coast Assets)
Plc	Public Limited Group
PPE	Personnel Protective Equipment
ppm	parts per million
PPT	Petroleum Profits Tax
PRMS	Petroleum Resource Management System
PT	Property Tax
PwC	PricewaterhouseCoopers LLP
Q	Year quarter (3 months) i.e. Q1 means first quarter
REI	Reportable Environmental Incidents
RNS	Regulatory News Service
RCP(s)	Recompletion(s)
Realised price	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.
ROU	Right-of-Use
SCADA	Supervisory Control and Data Acquisition

Glossary of terms (continued)

Abbreviation	Meaning
SOE	Share Option Expense
SPE	Society of Petroleum Engineers
SPT	Supplemental Petroleum Tax
START Card	See Think Act Reinforce Track Card
STOIIP	Stock Tank Oil Initially in Place
STOW	Safe to Work
SW	South West
T&T based bank	First Citizens Bank Limited
TEPUKL	Trinity Exploration & Production (UK) Limited
TEPGL	Trinity Exploration and Production (Galeota) Limited
Trinity/Group/Parent	Trinity Exploration & Production plc
TOG	Total Oil and Gas
TPH	Total Petroleum Hydrocarbons
TSR	Total Shareholder Return
TTD	Trinidad & Tobago Dollars
T&T	Trinidad & Tobago
T&T State creditors	Reference to both BIR and MEEI
UK	United Kingdom
UL	Unemployment Levy
USA	United States of America
USD or **$**	United States Dollars
UWI	University of the West Indies
VAT	Value Added Tax
VIU	Value in Use
vs	versus
VWAP	Volume-Weighted Average Price
WFH	Work From Home
WHO	World Health Organisation
WTI	West Texas Intermediate - is a grade of crude oil used as a benchmark in oil pricing
WO(s)	Workover(s)
YE	Year-end

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