This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation No 596/2014 which is part of English Law by virtue of the European (Withdrawal) Act 2018, as amended. On publication of this announcement via a Regulatory Information Service, this information is in the public domain.

20 September 2022

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

Interim Results

Strong operating and financial resilience continue to underpin the Group's pursuit of multiple initiatives to meaningfully scale the business

Trinity Exploration & Production plc (AIM: TRIN), the independent E&P company focused on Trinidad and Tobago ("**T&T**"), announces its unaudited interim results for the six-month period ended 30 June 2022 ("**H1 2022**" or "**the period**").

Jeremy Bridglalsingh, Chief Executive Officer of Trinity, commented:
"The first six months of 2022 was a period of consolidation for Trinity, positioning the Company strongly for the second half of the year and beyond. Stable production and higher oil prices boosted our revenues in the period, the benefit of this will be fully felt when our hedges expire at the end of 2022. Towards the end of the first half the Company commenced a potentially transformational drilling programme onshore Trinidad. The six-well programme is ongoing, with drilling of the most notable wells, a horizontal well and a deeper appraisal well, due to start in the coming months. I believe this has the potential to meaningfully increase our scale, and as such prove to be the start of one of the most exciting periods in the Company's history. I am also pleased to announce the Company's intention to implement a new Capital Allocation Policy which is likely to include the payment of a regular dividend and a share buy-back programme to further deliver value to our shareholders."

2022 Year to Date Strategic Highlights

H1 2022 saw production levels broadly maintained and the Company benefit from stronger operational cash flows due to higher realised oil prices, with the impact of these partially offset by the effect of hedging instruments. The Company's oil price hedge payment exposure reduces and unwinds in H2 2022 and there are no hedging instruments in place currently for 2023. In addition to continuing its programme of recompletions and workovers which kept production stable, the Company commenced its fully funded onshore drilling operations. The first two wells successfully encountered target reservoir sections as prognosed, confirming our pre-drill expectations, and are currently on production test. The Company is preparing to move onto the third well of the planned six well campaign.

Onshore

Onshore continues to be a robust set of assets with a break-even price of USD 18.5/bbl (H1 2021: USD 17.9/bbl) even after observing inflationary increases from the supply chain. Successful analysis and interpretation of the 3D Seismic across all our onshore Blocks, including PS-4 which was acquired in December 2021, has de-risked our drilling campaign that commenced in June 2022.

East Coast

The Company has continued to refine its plans for Galeota via a staged development initially exploiting the 9.77 mmbbls of 2P reserves in the Trintes field. This approach reduces risk and capex and offers a shorter timeframe to achieve production.

Galeota's 40.39 mmbbls 2C resources offer the potential for future phase of development or optimisation of the development. The Company is hopeful that the Government of Trinidad and Tobago will conclude its deliberations and provide further details on reforms to Supplemental Petroleum Tax ("**SPT**") in the near term and this will facilitate potential coventurers to fully assess the economics of the opportunity when the Galeota farm down process recommences.

Corporate

The Board wishes to advise shareholders of its intention to announce a new Capital Allocation Policy during H1 2023, once the outcome of the six well drilling campaign has been assessed. This is likely to include:

- Payment of a regular dividend that will help inform future capital allocation decisions whilst not impeding the Company's growth potential; and
- A buy-back programme that will flex depending on commodity prices.

Further details on Trinity's Capital Allocation Policy will be provided in conjunction with the preliminary results for 2022. In the interim, the Board is also considering a modest share buyback programme, and expects to provide further guidance in due course.

H1 2022 Key Performance Indicators

Trinity prepares the interim financial statements in compliance with International Financial Reporting Standards ("**IFRS**"). Management considers additional Alternative Performance Measures ("**APMs**") to give further insight into the performance of the Group. Management believes that analysis of both performance measures delivers improved guidance to Management for operational and strategic decision-making purposes. The Group was profitable in H1 2022 under an APM basis but not IFRS. This is mainly due to the unrealised fair value hedge expense recognised at 30 June 2022, which is expected to significantly decrease in H2 2022 due to the reduction in oil prices. Higher oil price realisations and relatively stable net sales volumes, resulted in a 58% increase in Revenues to USD 48.5 million (H1 2021: USD 30.7 million) and a 28% increase in Adjusted EBITDA (Note 19 in the financial statements) to USD 12.8 million (H1 2021: USD 10.0 million). The period-end cash balance was USD 15.0 million (H1 2021: USD 19.0 million) due to increased hedging payments and taxes in H1 2022, resulting from higher oil prices, and increased capital expenditure. A summary of the period-on-period operational and financial highlights are set out below:

		H1 2022	**H1 2021**	**Change %**
Average realised oil price[1]	*USD/bbl*	90.1	55.9	61
Average net sales[2]	*bopd*	2,974	3,032	(2)
Revenues	*USD million*	48.5	30.7	58
Cash balance	*USD million*	15.0	19.0	(21)
IFRS Results				
Operating Profit before SPT & PT	*USD million*	5.4	2.9	84
Total Comprehensive (Loss)/Income	*USD million*	(0.7)	1.6	(145)
Earnings per share - diluted	*USD cents*	(0.9)	3.8	(125)
APM Results (APM measures exclude non-cash items)				
Adjusted EBITDA[3]	*USD million*	12.8	10.0	28
Adjusted EBITDA[4]	*USD/bbl*	23.7	18.2	30
Adjusted EBITDA margin[5]	*%*	26.3	32.6	(19)
Adjusted EBITDA after Current Taxes[6]	*USD million*	4.8	6.8	(29)

Adj. EBITDA after Current Taxes per share – diluted	*US cents*	11.4	16.1	(29)
Consolidated operating break-even	*USD/bbl*	32.4	27.8	17
Net cash plus working capital surplus[8]	*USD million*	18.6	22.3	(17)

Notes:

1. *Realised price: Actual price received for crude oil sales per barrel ("**bbl**").*
2. *Average net sales: This refers to average sales attributable to Trinity per day for all operations; lease operatorships, farm-out operations and joint ventures.*
3. *Adjusted EBITDA: Operating Profit before Taxes for the period, adjusted for Depreciation, Depletion & Amortisation ("**DD&A**") and other non-cash expenses, namely Share Option Expenses, Impairment of Financial Assets, FX Gains/Losses and Fair Value Gains/Losses on Derivative financial instruments. Adjusted EBITDA for 2021 updated to include Covid-19 expense*
4. *Adjusted EBITDA (USD/bbl): Adjusted EBITDA/sales volume over the period.*
5. *Adjusted EBITDA Margin (%): Adjusted EBITDA/Revenues.*
6. *Adjusted EBITDA after Current Taxes: Adjusted EBITDA less Supplemental Petroleum Taxes ("**SPT**"), Property Taxes ("**PT**"), Petroleum Profits Tax ("**PPT**") and Unemployment Levy ("**UL**").*
7. *Group operating break-even: The realised price/bbl where the Adjusted EBITDA/bbl for the Group is equal to zero.*
8. *Net cash plus working capital surplus: Current Assets less Current Liabilities (other than Derivative financial asset / liability and Provision for other liabilities).*

H1 2022 Strategic Highlights

- The onshore drilling campaign commenced on 29 June 2022. This fully-funded programme, which includes four conventional infill wells, a horizontal well and a deeper appraisal well, is targeting an aggregate of up to 1,100mbbls of reserves at a cost of USD 14 million to USD 17 million. These are significantly higher volumes per dollar of capital invested, and, in a success case, are expected to generate materially increased cash returns compared with previous drilling programmes.

- Having commenced drilling, the near-term focus is on completing the 2022 drilling programme safely, on time and on budget, and bringing these wells onto production in short order. It is expected that the four conventional, low angle, wells will be brought on to production before this year end, collectively contributing to an increase of 200-250 bopd. Production is anticipated to continue to increase into Q1 2023 subject to successful outcomes for the horizontal well and deeper well, the combination of which is projected to underpin a material increase in operating cash flow for 2023. The Company has no hedging instruments in place for 2023.

H1 2022 Financial Highlights

- Average realisation of USD 90.1/bbl for H1 2022 (H1 2021: USD 55.9/bbl).
- Revenues up 58% to USD 48.5 million (H1 2021: USD 30.7 million).
- Cash operating costs of USD 17.6/bbl (H1 2021: USD 15.2/bbl) reflecting the newly acquired PS-4 asset. Higher number of workovers and reactivations conducted in H1 2022 vs H1 2021 (61 workovers and reactivations in H1 2022 vs 43 conducted in H1 2021), higher vessel costs and fuel costs due to increased rates, and certain one-off initial maintenance operating costs on the PS-4 asset.
- General and administrative costs of USD 6.6/bbl (H1 2021: USD 5.3/bbl) due to increase in levies arising on higher oil prices, increased software maintenance costs related to supporting the technical teams and additional technical staff related costs.
- Cash balance of USD 15.0 million as at 30 June 2022 (YE 2021: USD 18.3 million) reflecting a combination of strong operating cash generation being impacted by increased hedge payments and taxes on the account of higher oil prices, and increased capex, including the purchase of long lead items to support the drilling campaign.
- Average operating break-even for H1 2022 was USD32.4/bbl (unaudited) (H1 2021: USD 27.8/bbl).

H1 2022 Operational Highlights

- Safely commenced the fully funded six well drilling campaign within the WD-5/6 onshore block:
    - Currently progressing to the third of four low angle wells, which will be followed by one horizontal and one deep appraisal well.
    - The drilling campaign is expected to lead to a meaningful increase in production by the end of H1 2023, when all six wells, in a success case, are expected to be onstream.
- H1 2022 average net sales volumes of 2,974 bopd represents a modest 2% decrease compared to the corresponding period last year (H1 2021: 3,032 bopd). Base production contributed 2,907 bopd and the new added asset, PS-4 contributed 67 bopd.
- Eleven (11) recompletions ("**RCPs**") (H1 2021: 3) and 61 workovers and reactivations ("**WOs**") (H1 2021: 43) were completed during the period, with swabbing continuing across the onshore and west coast assets.
    - 6 additional RCPs are being worked up for execution in H2 2022, of which 50% are already approved by the relevant regulatory bodies.
- Production volumes have benefited from the Company's focus on well performance and optimisation.
    - The Company's largest onshore field, WD-5/6, now has 85% of production under automation. The automation of these wells has been carefully implemented over the past year and the early results are very positive. 28 of the 31 wells have demonstrated extended run life and we are seeing results initially in reduced personnel and equipment time in H1 2022. The Company is currently quantifying the additional benefits such as reduced physical monitoring, reduction in carbon footprint and HSE exposure.
- Galeota Field Development Plan ("**FDP**")
    - The farm down process commenced in December 2021. Trinity received the final Certificate of Environmental Clearance ("**CEC**") for the Echo Field Development in Q1 2021 which is a critical step in advance of moving towards the Final Investment Decision ("**FID**"). However, whilst initial feedback from the farm down process was encouraging, a number of participants informed us that they were unable to fully assess the economics of this opportunity without clarity on the expected fiscal reforms (particularly relating to SPT). Hence, pending SPT reform, the Company paused the Galeota farm down process and advanced a development option focusing initially on achieving production from the field's 2P reserves.
- The onshore 3D seismic interpretation has unlocked several very encouraging, potentially meaningful new oil plays; a hopper of stratigraphically deeper ('deeper test') prospects, leads and infill opportunities. Thus far three prospects have been matured, one of which we intend to drill in the 2022 drilling campaign.
- Net average production guidance for 2022 remains 2,900-3,100 bopd (before the impact of the drilling campaign and/or acquisitions), with production anticipated to continue to increase into Q1 2023.

Post Period End Highlights

Outlook

The first two wells in the Palo Seco area have been drilled with no Lost Time Injuries ("**LTI**'s") over the period, a positive result for the drilling team and lead contractors. Both wells encountered target reservoir sections as prognosed with a combined net pay (both primary and secondary targets) of 690 feet, confirming our pre-drill subsurface models and expectations. Both wells are on production test currently and will be optimised for stabilised production in the coming weeks. The next well in the campaign will be a conventional well in Forest Reserve area with a planned spud date before the end of September 2022.

Having completed two wells and with drilling imminent on the third well, the near-term focus is on completing the 2022 campaign safely, on time and on budget, and bringing these wells onto production in short order. It is expected that the four conventional low angle wells will be producing before this year end, with each contributing to a meaningful increase in the daily production rate. Production is expected to continue to increase into Q1 2023, subject to successful outcomes from drilling the horizontal and deeper wells, the combination of which is projected to underpin a material increase in operating cash flow for 2023, for which no hedging instruments are in place.

The interim results as at 30 June 2022 includes the impact of accounting for a Mark to Market ("**MTM**") derivative hedge liability for H2 2022 of USD 6.1 million, as well as the cash cost incurred during H1 2022 of USD 6.0 million. We currently expect that hedge costs in H2 will be materially lower than H1, due to the reduction in hedge volumes and lower forecast oil prices in H2. Hedge expense incurred in the two months July to August 2022 totalled USD 1.3 million and the current MTM exposure for the following four months is USD 1.9 million. No hedge instruments are currently in place for 2023.

At the end of June 2022, VAT refunds outstanding were USD 5.4 million. Subsequent to 30 June 2022 the Group has received VAT refunds of USD 2.9 million.

Trinity is participating in the 2022 Onshore and Nearshore Competitive Bid Round which was opened by the Ministry of Energy and Energy Industries on 8 July. This bid round contains eleven blocks within the prolific southern basin amongst currently producing fields; located in the Central to Southern areas within the southern basin and Southwest Peninsula nearshore coast of Trinidad. Bid submissions are due on 9 January 2023 with the award of the blocks tentatively scheduled for April 2023.

The Company has purchased a data package from the Ministry Energy and Energy Industries which Trinity's technical teams are reviewing, and the shortlisted blocks will be subject to robust reviews with the Technical Committee in the coming months.

In addition, on 1 September, the Ministry of Energy and Energy Industries announced that it will be offering blocks in the Shallow Water Competitive Bid Round in the fourth Quarter of 2022. Initial nomination of blocks of interest is due by 11 October.

Analyst Briefing:
A briefing for Analysts will be held at 13:00 (UK time) today via web conference. Analysts wishing to join should contact trinity@vigoconsulting.com for details.

Investor Presentation:
The Company will also be hosting a live presentation today via the Investor Meet Company platform at 15:00 (UK time). The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 09:00 the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Trinity Exploration & Production plc via: https://www.investormeetcompany.com/trinity-exploration-production-plc/register-investor

Enquiries

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Competent Person's Statement

All reserves and resources related information contained in this announcement has been reviewed and approved by Dr. Ryan Ramsook, Trinity's Executive Manager, Subsurface. Dr. Ramsook is also a Senior Lecturer at the University of the West Indies and Fellow of the Geological Society (FGS) of London. He is a Geologist by background with 16+ years' experience.

About Trinity (www.trinityexploration.com)

Trinity is an independent oil production company focused solely on Trinidad and Tobago. Trinity operates producing and development assets both onshore and offshore, in the shallow water West and East Coasts of Trinidad. Trinity's portfolio includes current production, significant near-term production growth opportunities from low-risk developments and multiple exploration prospects with the potential to deliver meaningful reserves/resources growth. The Company operates all of its ten licences and, across all of the Group's assets, management's estimate of the Group's 2P reserves as at the end of 2021 was 19.73 mmbbls. Group 2C contingent resources are estimated to be 47.22 mmbbls. The Group's overall 2P plus 2C volumes are therefore 66.95 mmbbls.

Trinity is quoted on AIM, a market operated and regulated by the London Stock Exchange Plc, under the ticker TRIN.

Disclaimer

This document contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil exploration and production business. Whilst the Group believes the expectation reflected herein to be reasonable in light of the information available to it at this time, the actual outcome may be materially different owing to macroeconomic factors either beyond the Group's control or otherwise within the Group's control.

OPERATIONAL REVIEW

The continuing impact of the COVID-19 pandemic, compounded by the Russian-Ukraine war, have led to significant volatility in global oil demand and supply, and caused dramatic movements in oil prices. While crude oil demand has continued to remain high, boosting oil prices, Trinity has experienced increased costs and reduced availability of materials and services as hydrocarbon producers (local and international) compete for limited resources.

Covid-19 has continued to affect the Company's workforce with 86 positive COVID-19 cases recorded across the West Coast, East Coast and Onshore assets in H1 2022. Thankfully, all employees have fully recovered and are now back to work. The impact on Trinity of the pandemic has continued to be relatively muted, but has required ongoing, proactive management.

H1 2022 saw increasing costs and lead times for both materials and services. The Company sought to put contingencies in place where possible and, despite the demand and inflationary challenges being faced by the industry, the Company was able to deliver its planned RCP programme, complete routine WOs, reactivations, swabbing and automation. In addition, the Company commenced its planned six-well onshore drilling programme and this, together with other elements of the H2 2022 activity set, is expected to lead to strong production levels going into Q1 2023.

Onshore operations

- H1 2022 average net sales was 1,688 bopd, a 2% increase on 2021 (H1 2021 1,657 bopd). This increase is attributed to the acquisition of the PS-4 licence in Q4 2021 (H1 2022: 67 bopd) and the robust base management system implemented by the engineering and operations teams. A total of 43 WOs were completed in H1 2022 (H1 2021: 37) in conjunction with 11 RCPs completed in H1 2022 (H1 2021: 3).

  Work continued to build a more robust and analytical approach to well surveillance and optimisation using SCADA systems. Software designed to optimise pumping system performance was operationalised and training completed during the period.

- Work continues on prototyping and testing new bespoke, automated solutions with the aim of providing a viable, cost-effective automation option for lower tier production wells. This has been found to be highly effective in quickly identifying Electrical Shut Downs ("**ESDs**") and limiting their impact on production.

- Improved sand management strategies commenced in June 2022 and are expected to continue with a particular focus on high-producing wells prone to excessive sand production.

  The H2 2022 planned work programme involves the progression of the six-well drilling campaign as well as RCPs and ongoing base management via WOs, reactivations and swabbing across all onshore fields.

East Coast operations

- H1 2022 average net sales was 1,037 bopd (H1 2021: 1,123 bopd) an 8% decrease. The decrease in sales levels was as a result of a combination of mechanical failures of downhole pumps requiring workovers, delayed by planned remedial platform topside work which impacted the timing of returning the wells to production. A total of 13 WOs were undertaken during H1 2022 (H1 2021: 6 WOs).

  H2 2022 work programme will include routine WOs and reactivations.

West Coast operations

H1 2022 average net sales was 249 bopd (H1 2021: 253 bopd). The 2% decrease in sales was the result of continued focus on preserving base production, including increased swabbing and optimisation activities in the field. There were 3 workovers conducted during this period (H1 2021: 0 WOs).

H2 2022 planned work programme is expected to include 4 routine WOs and the reactivation of the ABM 151 well.

FINANCIAL REVIEW

Income Statement Analysis

	H1 2022	*H1 2021*	*Change*
Production			
Average realised oil price (USD/bbl)	90.1	55.9	34.2
Average net Sales (bopd)	2,974	3,032	(58)
Statement of Comprehensive Income	***USD'000***	***USD'000***	***USD'000***
Operating revenues	48,515	30,663	17,852
Operating expenses (including realised Derivative expense and Covid-19 costs but excluding Non-cash items, SPT & PT)	(35,712)	(20,635)	(15,077)
Operating profit before Non-cash items, SPT & PT	12,803	10,028	2,775
DD&A	(3,884)	(3,656)	(228)
Other Non-Cash Items	(3,568)	(3,460)	(108)
Operating profit before SPT & PT	5,351	2,912	2,439
SPT	(5,049)	(1,971)	(3,078)
PT	-	(288)	288
Operating profit before exceptional items	302	653	(351)
Exceptional items	-	(95)	95
Operating Profit after Exceptional items	302	558	(256)
Finance income	24	62	(38)
Finance cost	(648)	(748)	100
Loss Before Taxation	(322)	(128)	(194)
Income Taxation (expense)/ credit	(76)	1,772	(1,848)
(Loss)/Profit after Taxation	(398)	1,644	(2,042)
Total Comprehensive (Loss)/Income for the period			
Currency translation	(324)	3	(327)
Total Comprehensive (Loss)/Income	(722)	1,647	(2,369)

Operating Revenues

Operating revenues of USD 48.5 million (H1 2021: USD 30.7 million) increased due to higher realised oil price and relatively stable production volumes sold in the period.

Operating expenses (excluding Non-cash items)

Operating expenses (excluding non-cash items) of USD (35.7) million (H1 2021: USD (20.4) million) comprised:

- Royalties of USD (16.2) million (H1 2021: USD (9.4) million), due to higher oil prices
- Production costs ("**Opex**") of USD (9.5) million (H1 2021: USD (8.1) million), mainly due to increased number of WOs conducted in H1 2022 (47) (H1 2021: 37), higher swabbing costs, higher tanker and vessel rates which were driven by higher crude oil and fuel prices and general increased inflationary pressures.
- G&A expenditure of USD (3.6) million (H1 2021: USD (2.9) million), due to one-off staff related costs, increased ICT software maintenance costs mainly related to the technical teams, increased technical consultancy fees and increased levies due to higher revenue recognised in H1 2022.
- Realised derivative expense of USD (6.0) million (H1 2021: nil) on account of higher oil prices.
- COVID-19 related costs USD (0.4) million (H1 2021: 0.3 million classified as exceptional items in 2021) based on Trinity's COVID-19 response plan implementation including early detection through Covid-19 testing, offshore employee isolation (quarantine costs) and heightened sanitisation efforts across all assets. The Company recorded 86 positive COVID-19 cases in H1 2022 compared to 20 positive cases in H1 2021.

Non-cash operating expenses

Non-cash operating expenses comprised:

- Depreciation, Depletion and Amortisation ("**DD&A**") charges of USD (3.9) million (H1 2021: USD (3.7) million)
- Unrealised derivative (expenses)/income USD (3.2) million (H1 2021: USD (2.1) million) comprising the movement in the fair valuation of crude oil derivatives during the period
- Share option expense USD (0.3) million (H1 2021: USD (0.3) million)
- Impairment of financial assets of USD (0.1) million (H1 2021: USD (1.0) million)
- Foreign exchange gain USD 0.0 million (H1 2021: USD (0.1) million)

Operating Profit Before Supplemental Petroleum Taxes ("SPT") and Property Tax ("PT")

The operating profit before SPT and PT for the period amounted to USD 5.8 million (H1 2021: USD 3.2 million) mainly due to higher operating revenues resulting from the higher oil prices.

SPT & PT

The Group incurred SPT charges in relation to both its onshore and offshore assets in H1 2022 of USD (5.0) million (H1 2021: (2.0) million), on account of the realised oil price being higher than USD 50.0/bbl throughout the period and SPT now being incurred on onshore assets where realised price exceeded USD 75.0/bbl. There was no accrual for PT for the period (H1 2021: USD (0.3) million). SPT and PT are classified as "operating expenses" rather than "income taxation" under IFRS.

Exceptional items

Exceptional items charge of nil (H1 2021: USD (0.1) million) relate to:

- Capital Reorganisation costs nil (H1 2021: USD (0.1) million)

Net Finance Cost

Net finance costs for the period of USD (0.6) million (H1 2021: USD (0.7) million), comprising:

- Unwinding of the discount on the decommissioning provision of USD (0.6) million (H1 2021: USD (0.6) million)
- Interest and expenses on bank overdraft - USD (0.0) million (H1 2021: USD (0.1) million)
- Interest on leases - USD (0.0) million (H1 2021: USD (0.0) million)

Income Taxation

Taxation charge for the period was USD (0.1) million (H1 2021: USD 1.8 million credit), comprising:

- Petroleum Profits Tax ("**PPT**") of USD (2.1) million (H1 2021: USD (0.7) million)
- Unemployment Levy ("**UL**") of USD (0.8) million (H1 2021: (0.3) million)
- Reduction in deferred tax liability of USD 0.0 million (H1 2021: USD 0.6 million)
- Increase in deferred tax assets of USD 2.8 million (credit) (H1 2021: USD 2.2 million credit), due to an increase in projected oil prices and hence taxable profits over the next three years

As at 30 June 2022, the Group had unrecognised tax losses of USD 207.4 million (H1 2021: 216.3 million) which have no expiry date.

Total Comprehensive (Loss)/ Income

Total Comprehensive Loss for the period was USD (0.7) million loss (H1 2021: USD 1.6 million income). The reduction is mainly driven by the combined impact of SPT and the increase in both realised and unrealised derivative expenses resulting from high oil prices experienced in H1 2022.

Cash Flow Analysis

Opening Cash Balance

Trinity began the year with an initial cash balance of USD 18.3 million (2021: USD 20.2 million).

Summary of Statement of Cash Flows

	H1 2022	H1 2021
	USD'000	*USD'000*
Opening cash balance	18,312	20,237
Cash movement		
Cash inflow from operating activities	7,713	7,670
Changes in working capital	(1,922)	(2,955)
Income taxation paid	(2,882)	(1,201)
Net cash inflow from operating activities	2,909	3,514
Net cash outflow from investing activities	(5,707)	(4,461)
Net cash outflow from financing activities	(331)	(316)
Decrease in cash and cash equivalents	(3,129)	(1,263)
Effects of foreign exchange rates on cash	(233)	--
Closing cash balance	**14,950**	**18,974**

Net cash inflow from operating activities

Net cash inflow from operating activities was USD 2.9 million (H1 2021: USD 3.5 million):

- Operating activities for H1 2022 generated an operating cash flow before changes in working capital and income taxes of USD 7.7 million (H1 2021: USD 7.7 million)
- Changes in working capital resulted in a net decrease of USD (1.9) million (H1 2021: net decrease of USD (3.0) million)
- Income Taxation – PPT and UL paid USD (2.9) million (H1 2021: USD (1.2) million) resulting from higher taxable profits

Cash outflow from investing activities

Investing cash outflows for H1 2022 was USD (5.7) million (H1 2021: USD (4.5) million) which included infrastructure investments across Trinity's assets, production capex including RCPs in H1 2022, drilling planning and long lead investment for the drilling campaign which began on 29 June 2022, subsurface capex, exploration and evaluation capex including Galeota asset development costs incurred to 31 March 2022 and renewable capex initiatives.

Net cash outflow from financing activities

Financing cash outflows for H1 2022 was USD (0.3) million comprising USD (0.3) million cash payment on leases net of USD 0.0 million in finance income from short-term deposits (H1 2021: USD 0.3 million).

Closing Cash Balance

Trinity's cash balance at 30 June 2022 was USD 15.0 million (31 December 2021: USD 18.3 million).

Statement of Financial Position Analysis

	H1 2022 *USD'000*	YE 2021 *USD'000*	Change *USD'000*
Assets:			
Non-current Assets	102,494	96,906	5,588
Current Assets	33,353	32,879	474
Liabilities:			
Non-Current Liabilities	58,491	57,812	679
Current Liabilities	20,851	15,052	5,799
Equity and Reserves:			
Capital and Reserves to Equity Holders	56,505	56,921	(416)
Cash plus working capital surplus	18,628	20,756	(2,128)

Non-current Assets

Non-current assets increased by 6% to USD 102.5 million at H1 2022 from USD 96.9 million at YE 2021:

- Property, plant and equipment USD 51.8 million (YE 2021: USD 49.5 million) increase of USD 2.3 million mainly relates to USD 5.8 million investment less DDA of 3.5 million and Right of use asset of USD 0.6 million (YE 2021: USD 0.6 million) relating to motor vehicles, office building, staff house and office equipment leases that met the recognition criteria of a lease under IFRS 16.
- Intangible assets USD 31.0 million (YE 2021: USD 30.8 million) increase of USD 0.2 million mainly relates to USD 0.3 million investment less amortisation of (0.1) million
- Deferred tax asset of USD 14.3 million (YE 2021: USD 11.5 million) increase of USD 2.8 million due to the increase in the forecast taxable profits resulting from higher forecast oil prices
  Abandonment funds and performance bond of USD 4.7 million (YE 2021: USD 4.5 million)
- Right of use asset of USD 0.6 million (YE 2021: USD 0.6 million)

Current Assets

Current assets increased by 2% to USD 33.4 million at H1 2022 from USD 32.9 million at YE 2021:

- Cash and cash equivalents of USD 15.0 million (YE 2021: USD 18.3 million)
- Trade and other receivables of USD 14.1 million (YE 2021: USD 10.8 million)
  - Trade and other receivables (less impairment) of USD 6.6 million (YE 2021: USD 4.6 million)
  - VAT recoverable of USD 5.4 million (YE 2021: 4.6 million)
  - Prepayments and other receivables (less impairment) of USD 2.1 million (YE 2021: USD 1.6 million)
- Inventories USD 4.3 million (YE 2021: USD 3.8 million)

Non-current Liabilities

Non-current liabilities increased to USD 58.5 million at H1 2022 from USD 57.8 million at YE 2021, primarily due to:

- Provision for other liabilities (predominantly decommissioning costs) of USD 56.3 million (YE 2021: USD 55.7 million)
- Lease liability of USD 0.2 million (YE 2021: USD 0.1 million)

Current Liabilities

Current liabilities increased to USD 20.9 million at H1 2022 (YE 2021: USD 15.1 million) primarily due to:

- Trade and other payables of USD 11.5 million (YE 2021: USD 8.9 million)
  - Trade payables of USD 2.7 million (YE 2021: USD 2.3 million)
  - Accruals and other payables of USD 5.7 million (YE 2021: USD 5.0 million)
  - SPT payable of USD 3.1 million (YE 2021: USD 1.6 million)
- The non-cash fair value of derivative instruments liability increased at H1 2022, creating a current liability of USD 6.1 million (YE 2021: USD 2.9 million). These instruments were implemented to hedge against potential fall in oil prices and are due to expire at the year end.
- CIBC bank overdraft facility USD 2.7 million (YE 2021: USD 2.7 million)

- Lease liability of USD 0.5 million (YE 2021: USD 0.6 million)

Cash plus Working Capital Surplus
Cash plus working capital surplus calculated as Current Assets less Current Liabilities (excluding Provisions for other liabilities and Derivative assets/(liabilities)) decreased by 11% to USD 18.6 million (YE 2021: USD 20.8 million)

Reconciliation between Adjusted EBITDA after Current Taxes and Cash Inflow from Operating Activities

	H1 2022 USD'000	H1 2021 USD'000
Adjusted EBITDA after Current Taxes	**4,831**	**6,771**
Exceptional items	--	(95)
Foreign exchange gain/(loss)	41	(52)
Translation differences as per Statement of Cash flows	(41)	48
Changes in Working Capital	(1,922)	(2,955)
Income tax incurred	2,882	998
Income tax paid	(2,882)	(1,201)
Cash flow from operating activities	**2,909**	**3,514**

APPENDIX 1: TRADING SUMMARY

A summary of realised price, production, royalties, Opex, G&A and operating break-evens expenditure metrics is set out below:

<u>Trading Summary Table</u>

Details	H1 2022	H1 2021	Change %
Realised price (USD/bbl)	90.1	55.9	61
Sales (bopd)			
Onshore	1,688	1,656	2
West Coast	249	253	(2)
East Coast	1,037	1,123	(8)
Group Consolidated	2,974	3,032	(2)
Metrics (USD/bbl)			
Royalties/bbl – Onshore	38.9	20.5	89
Royalties/bbl – West Coast	16.7	10.1	66
Royalties/bbl – East Coast	19.1	13.7	39
Royalties/bbl - Consolidated	30.1	17.1	76
Opex/bbl – Onshore	14.0	12.8	9
Opex/bbl - West Coast	28.2	22.2	27
Opex/bbl - East Coast	22.2	17.3	28
Opex/bbl – Group Consolidated	17.6	15.2	16
G&A/bbl – Group Consolidated	6.6	5.3	25
Operating break-even (USD/bbl)			
Onshore	18.5	17.9	3
West Coast	26.9	28.1	(4)
East Coast	27.2	23.2	17
Group Consolidated	32.4	27.8	17

Notes: Group consolidated operating break-even: The realised price/bbl for which the adjusted EBITDA/bbl exclusive of net derivative expense/income for the Group is equal to zero. H1 2021, Covid-19 costs were not included as part of the operating break-even KPI.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with International Accounting Standards ("IAS") and that the interim management report includes:

- an indication of important events that have occurred during the first six (6) months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six (6) months of the financial year; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- material related party transactions in the first six (6) months and any material changes in the related-party transactions described in the last annual report.

A list of the current Directors is maintained on the Trinity Exploration & Production plc website www.trinityexploration.com.

By order of the Board

Jeremy Bridglalsingh
Chief Executive Officer

19 September 2022

INDEPENDENT REVIEW REPORT TO TRINITY EXPLORATION & PRODUCTION PLC
Report on the Condensed Consolidated Interim Financial Statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standards and the London Stock Exchange AIM Rules for Companies.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statements.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standards.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the London Stock Exchange AIM Rules for Companies which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

In preparing the half-yearly financial report, the directors are responsible for assessing 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange AIM Rules for Companies for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, UK
19 September 2022

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

Trinity Exploration & Production plc
Condensed Consolidated Statement of Comprehensive Income
for the period ended 30 June 2022
(Expressed in United States Dollars)

	Notes	6 months to 30 June 2022 $'000 (unaudited)	6 months to 30 June 2021 $'000 (unaudited)	Year ended 31 December 2021 $'000 (audited)
Operating Revenues				
Crude oil sales		48,514	30,663	66,257
Other income		1	--	1
		48,515	30,663	66,258
Operating Expenses				
Royalties		(16,204)	(9,387)	(19,828)
Production costs		(9,498)	(8,139)	(17,625)
Depreciation, depletion and amortisation	8-10	(3,884)	(3,656)	(7,428)
General and administrative expenses		(3,581)	(2,848)	(7,030)
Impairment of financial assets/net reversal		(45)	(993)	754
Share option expense	14	(316)	(307)	(626)
Covid-19 expenses		(459)	(261)	(669)
Foreign exchange gain/(loss)		41	(52)	(14)
Realised derivative expense	3,12	(6,011)	--	(1,293)
Fair value expense on derivative instruments		(3,207)	(2,108)	(3,149)
		(43,164)	(27,751)	(56,908)
Operating Profit Before Supplemental Petroleum Taxes ("SPT") and Property Tax ('PT")		**5,351**	**2,912**	**9,350**
SPT		(5,049)	(1,971)	(5,074)
PT (charge)/net reversal		--	(288)	1,516
Operating Profit Before Covid expenses, Impairment and Exceptional Items		**302**	**653**	**5,792**
Impairment	4	--	--	(1,316)
Exceptional items	5	--	(95)	(113)
Operating Profit After Impairment and Exceptional Items		**302**	**558**	**4,363**
Finance Income	7	24	62	94
Finance cost	7	(648)	(748)	(1,475)
(Loss)/Profit Before Income Taxation		**(322)**	**(128)**	**2,982**
Income Taxation (expense)/ credit	6	(76)	1,772	4,744
(Loss)/Profit for the period		**(398)**	**1,644**	**7,726**
Other Comprehensive (loss)/Income				
Currency Translation		(324)	3	--
Total Comprehensive (loss)/Income for the period		**(722)**	**1,647**	**7,726**
Earnings per share (expressed in dollars per share)				
Basic	20	(0.01)	0.04	0.20
Diluted	20	(0.01)	0.04	0.18

Trinity Exploration & Production plc
Condensed Consolidated Statement of Financial Position
for the period ended 30 June 2022
(Expressed in United States Dollars)

	Notes	As at 30 June 2022 $'000 (unaudited)	As at 30 June 2021 $'000 (unaudited)	As at 31 December 2021 $'000 (audited)
ASSETS				
Non-current Assets				
Property, plant and equipment	8	51,828	37,769	49,507
Right-of-use assets	9	608	762	616
Intangible assets	10	31,031	28,320	30,759
Abandonment fund		4,260	3,571	4,021
Performance bond (Investment held to maturity)		473	253	473
Deferred tax asset	15	14,294	8,218	11,530
		102,494	78,893	96,906
Current Assets				
Inventories		4,283	5,366	3,820
Trade and other receivables	11	14,120	10,120	10,747
Cash and cash equivalents		14,950	18,974	18,312
		33,353	34,460	32,879
Total Assets		**135,847**	**113,353**	**129,785**
EQUITY				
Capital and Reserves Attributable to Equity Holders				
Share capital	13	389	97,692	389
Share premium	13	--	139,879	--
Share based payment reserve	14	4,087	3,586	3,784
Reverse acquisition reserve		(89,268)	(89,268)	(89,268)
Translation reserve		(1,971)	(1,647)	(1,650)
Retained earnings/ (accumulated deficit)		143,268	(99,766)	143,666
Total Equity		**56,505**	**50,476**	**56,921**
Non-current Liabilities				
Lease liabilities	9	202	232	97
Deferred tax liability	15	1,983	2,062	2,025
Provision for other liabilities	16	56,295	46,563	55,690
Employee benefits		11	--	--
		58,491	48,857	57,812
Current Liabilities				
Trade and other payables	17	11,533	8,826	8,814
Bank overdraft	18	2,700	2,700	2,700
Lease liabilities	9	492	606	609
Derivative financial liability	12	6,090	1,842	2,883
Provision for other liabilities		36	46	46
		20,851	14,020	15,052
Total Liabilities		**79,342**	**62,877**	**72,864**
Total Shareholders' Equity and Liabilities		**135,847**	**113,353**	**129,785**

Trinity Exploration & Production plc
Condensed Consolidated Statement of Changes in Equity
for the period ended 30 June 2022
(Expressed in United States Dollars)

	Share Capital $'000	Share Premium $'000	Share Based Payment Reserve $'000	Reverse Acquisition Reserve $'000	Merger Reserve $'000	Translation Reserve $'000	Retained Earnings/ (Accumulated Deficit) $'000	Total $'000
Balance at 1 January 2021	**97,692**	**139,879**	**14,764**	**(89,268)**	**75,467**	**(1,650)**	**(188,332)**	**48,552**
Share based payment charge	--	--	307	--	--	--	--	307
Capital Reorganisation	--	--	(11,485)	--	(75,467)	--	86,952	--
Translation difference	--	--	--	--	--	3	(30)	(27)
Total comprehensive profit for the period	--	--	--	--	--	--	1,644	1,644
Balance at 30 June 2021 (unaudited)	**97,692**	**139,879**	**14,773**	**(89,268)**	**75,467**	**(1,652)**	**(187,655)**	**49,236**
Balance at 1 January 2022	**389**	**--**	**3,784**	**(89,268)**	**--**	**(1,650)**	**143,666**	**56,921**
Share based payment charge	--	--	305	--	--	--	--	305
Translation difference	--	--	(2)	--	--	3	--	1
Total comprehensive loss for the period	--	--	--	--	--	(324)	(398)	(722)
Balance at 30 June 2022 (unaudited)	**389**	**--**	**4,087**	**(89,268)**	**--**	**(1,971)**	**143,268**	**56,505**

Trinity Exploration & Production plc
Condensed Consolidated Statement of Cashflows
for the period ended 30 June 2022
(Expressed in United States Dollars)

	Notes	6 months to 30 June 2022	6 months to 30 June 2021	Year end 31 December 2021
		$'000 (unaudited)	$'000 (unaudited)	$'000 (audited)
Operating Activities				
(Loss)/Profit before taxation		(322)	(128)	2,982
Adjustments for:				
Translation difference		(41)	48	(39)
Finance Income		(24)	(62)	(94)
Finance cost	7	94	137	254
Share option expense		316	307	626
Finance cost – decommissioning provision	7	554	611	1,222
Depreciation, depletion and amortisation	8-10	3,884	3,656	7,428
Impairment of property, plant and equipment	8	--	--	96
Inventory Impairment	5	--	--	1,220
Impairment loss/(reversal of impairment) on financial assets		45	993	(754)
Fair value on derivative financial instrument		3,207	2,108	3,149
Other non-cash items		--	--	47
		7,713	7,670	16,137
Changes In Working Capital				
(Increase)/Decrease in Inventory		(463)	(99)	228
(Increase) in Trade and other receivables		(3,657)	(3,954)	(3,019)
Increase in Trade and other payables		2,198	1,098	909
		(1,922)	(2,955)	(1,882)
Income taxation paid		(2,882)	(1,201)	(1,700)
Net Cash Inflow From Operating Activities		2,909	3,514	12,555
Investing Activities				
Exploration and Evaluation Assets		(363)	(1,079)	(3,262)
Computer software and investment in research & development		(24)	--	(401)
Purchase of property, plant & equipment		(5,320)	(3,382)	(9,957)
Performance bond released		--	--	(220)
Net Cash Outflow From Investing Activities		(5,707)	(4,461)	(13,840)
Financing Activities				
Finance income		24	62	94
Finance cost		(50)	(87)	(153)
Principal paid on lease liability		(261)	(241)	(480)
Interest paid on lease liability		(44)	(50)	(101)
Net Cash Outflow From Financing Activities		(331)	(316)	(640)
Decrease in Cash and Cash Equivalents		(3,129)	(1,263)	(1,925)
Cash And Cash Equivalents				
At beginning of period		18,312	20,237	20,237
Effects of foreign exchange rates on cash		(233)	(29)	19
Decrease		(3,129)	(1,234)	(1,944)
At end of period		14,950	18,974	18,312

Trinity Exploration & Production plc
Notes to the Condensed Consolidated Financial Statements for the period ended 30 June 2022

1 Background and Accounting Policies

Background

Trinity Exploration & Production plc ("Trinity") is incorporated and registered in England and trades on the Alternative Investment Market ("AIM"), a market operated by London Stock Exchange plc. Trinity ("the Company") and its subsidiaries (together "the Group") are involved in the exploration, development and production of oil reserves in Trinidad.

Basis of Preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS") on a going concern basis. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, which have also been prepared in accordance with IFRS.

The results for the six months ended 30 June 2022 and 30 June 2021 have been reviewed, not audited, and do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2021 were approved by the board of directors and delivered to the Registrar of Companies. The report of the independent auditors on those accounts was unqualified. The interim report has been reviewed by the auditor.

Going Concern

The Board have adopted the going concern basis in preparing the condensed consolidated interim financial statements.

In making their going concern assessment, the Board have considered the Group's current financial position, budget and cash flow forecast. For the past twelve months the Group continued to operate with no significant effects nor interruptions from the presence of the COVID-19 pandemic. The going concern assessment has considered the current operating environment including inflationary pressures, supply chain challenges and the potential impact of the volatility of the oil price. In 2022 oil prices have trended in an upward direction to well over US$100 and is currently fluctuating between US$90-100 per bbl (Brent ICE). Oil prices are forecast to remain at elevated levels over the next 12 months, which will continue to positively impact the Group's operations.

The Group started 2022 with a steady operating and strong financial position; 2022 average H1 2022 sales of 2,974 barrels of oil per day ("bopd"), (H1 2021 3,032 bopd), and opening net cash consisting of cash and short term investments of US$18.3 million and US$2.7 million drawn under the Company's overdraft facility as at 31 December 2021. In making their going concern assessment, the Board considered a cash flow forecast based on expected future oil prices, work activity and production volumes and sensitivities surrounding volatility in crude oil prices, further cost escalation in capital expenditure and reduced production due to potential delays in the onshore drilling campaign. The base case forecast included the following assumptions:

- Future oil prices assumed to be in line with the forward curve prevailing as at July 22, with an average realised oil price of US$84.3/bbl in the period to December 2022. The forward price curve applied in the cash flow forecast starts at US$90.4/bbl in July 2022, trending down to US$80.0/bbl in December 2022 and to US$76.1/bbl in July 2023.
- Average forecast production for the period from July 22 to December 2022 of 3,288 bopd and for the seven months to July 2023 of 3,509 bopd with production being maintained by RCPs, WOs and swabbing activities as well as 6 Onshore wells (4 conventional wells, 1 horizontal well and 1 deeper well) which started in June 2022 and 3 wells in 2023.
- Potential cost escalations and supplier delays for the Onshore drilling campaign
- SPT now being incurred on the Onshore assets in 2022 due to oil prices exceeding the SPT threshold for small onshore operators of US$ 75.0/bbl which applies until 31 December 2022. This SPT threshold which was put in place in the 2021 Budget and is subject for review for continuation. As such, the benefit of this higher threshold was not considered within our forecasts for 2023.
- The continuing impact of the crude derivative instruments for the remainder of 2022, based on the forward curve prevailing as at July 2022. There are no crude derivatives currently in place for 2023.
- Trinity continuing to progress various growth and business development opportunities

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

Further sensitivities considered to the base case cash flow:

- 20% reduction in crude oil prices being sustained across the forecast period, noting that the base case pricing is in line with market prices
- 10% cost escalation in capital expenditure across the forecast period
- 10% production decrease over the forecast period

Under each of these scenarios the Group's cash balances are sufficient to meet the Group's obligations as they fall due.

Based on the cash flow forecast, when combined with mitigating actions that are within the Group's control, the Board currently believe the Group can maintain sufficient liquidity and a healthy positive cash balance, and remain in operational existence, for at least the next twelve months.

As a result, at the date of approval of the interim financial statements, the Board have a reasonable expectation that the Group has sufficient and adequate resources to continue in existence for at least twelve months post approval of these financial statements and is poised for continued growth. 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 condensed consolidated interim financial statements.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year 31 December 2021 and corresponding interim reporting period, except for those set out in the standards below:

- *New standards and amendments effective for periods beginning on 1 January 2022 and therefore relevant to these condensed consolidated interim financial statements*

    - Conceptual Framework for Financial Reporting (Amendments to IFRS 3)
    - IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract)
    - IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use)

Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2021.

Cash and cash equivalents

For the purpose of presentation in the condensed consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

Trade receivables

Trade receivables are amounts due from the Group's sole customer for crude oil sold in the ordinary course of business. They are generally due for settlement within 30 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.

Impairment of financial assets

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 for forward looking estimates. This is then applied to the gross carrying amount of the receivables to arrive at the loss allowance for the period.

Financial assets recognition of impairment provisions under IFRS 9 is based on the expected credit losses ("ECL") model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability weighted amount that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

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 Trinidad and Tobago ("T&T") to one customer, Heritage Petroleum Company Limited ("Heritage"). All non-current assets of the Group are located in T&T.

Derivative financial instruments and hedging activities

The Company has not applied hedge accounting and all derivatives are measured at fair value through profit and loss.

2 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program seeks to minimise potential adverse effects on the Group's financial performance.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements for 2021, which can be found at www.trinityexploration.com.

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. As at 30 June 2022, the Group held cash at bank of $15.0 million (2021: $18.3 million).

Credit risk

Credit risk arises from Cash and Cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, management determines the placement of funds based on its judgement and experience to minimise risk.

All sales are made to a state-owned entity –Heritage.

3 Derivative expense

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Realised derivative expense	(6,011)	--	(1,293)
FV of derivative financial instruments	(3,207)	(2,108)	(3,149)
Total expense	(9,218)	(2,108)	(4,442)

4 Impairment

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Impairment of inventory	--	--	1,220
Impairment of property, plant and equipment	--	--	96
Total expense	--	--	1,316

There were no impairment charges in the current period. Inventory totaling US$ 0.1 million were written off in July 2022. These items were previously provided for.

5 Exceptional Items

Items that are material either because of their size, their nature, or that are non-recurring are considered as exceptional items and are presented within the line items to which they best relate. During the current period, exceptional items as detailed below have been included in the condensed consolidated statement of comprehensive income. An analysis of the amounts presented as exceptional items in these condensed interim financial statements are highlighted below.

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Fees relating to Capital Reorganisation	--	(95)	(113)
Exceptional items charge	**--**	**(95)**	**(113)**

6 Income taxation (expense/(credit)

a. <u>Taxation</u>

Current tax	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Petroleum profits tax	2,058	713	982
Unemployment levy	824	285	393
Deferred tax			
- Current period			
Movement in asset due to tax losses recognised (Note 15)	(2,764)	(2,221)	(5,533)
Movement in liability due to accelerated tax depreciation (note 15)	(42)	(549)	(586)
Income tax expense/(credit)	**76**	**(1,772)**	**(4,744)**

<u>Current tax:</u> The Group's effective tax rate varies based on jurisdiction

Tax rates:	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Corporation Tax UK	19%	19%	19%
Corporation Tax TT	30%	30%	30%
Petroleum Profits Tax	50%	50%	50%
Unemployment levy	5%	5%	5%

Deferred tax: The Group has a deferred tax asset of $14.3 million on its condensed consolidated statement of financial position which is the amount it expects to recover within 3 years based on the expected taxable profits generated by Group companies over that period.

The increase in the deferred tax asset is related to the increase in realised price and forecasted production.

7 Finance income

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Interest income	24	62	94

Finance costs

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Decommissioning - Unwinding of discount	(554)	(611)	(1,222)
Interest and other expenses on overdraft	(50)	(87)	(152)
Interest on leases	(44)	(50)	(101)
	(648)	**(748)**	**(1,475)**

8 Property, Plant and Equipment

	Plant & Equipment $'000	Leasehold & Buildings $'000	Oil & Gas Property $'000	Other $'000	Total $'000
Opening net book amount at 1 January 2022	2,919	1,388	45,200	--	49,507
Additions	1,803	66	3,964	--	5,833
DD&A charge for period	(275)	(93)	(3,146)	--	(3,514)
Translation difference	--	--	2	--	2
Closing net book amount at 30 June 2022	**4,447**	**1,361**	**46,020**	**--**	**51,828**
At 30 June 2022					
Cost	18,059	3,478	322,168	336	344,041
Accumulated DD&A and impairment	(13,612)	(2,117)	(276,150)	(336)	(292,215)
Translation difference	--	--	2	--	2
Closing net book amount at 30 June 2022	**4,447**	**1,361**	**46,020**	**--**	**51,828**

	Plant & Equipment $'000	Leasehold & Buildings $'000	Oil & Gas Property $'000	Other $'000	Total $'000
Opening net book amount at 1 January 2021	2,028	1,481	34,247	--	37,756
Additions	641	10	2,694	--	3,345
DD&A charge for period	(187)	(83)	(3,065)	--	(3,335)
Translation difference	--	--	3	--	3
Closing net book amount 30 June 2021	**2,482**	**1,408**	**33,879**	**--**	**37,769**
Period ended 30 June 2021					
Cost	15,569	3,348	303,696	336	322,949
Accumulated DD&A and impairment	(13,087)	(1,940)	(269,820)	(336)	(285,183)
Translation difference	--	--	3	--	3
Closing net book amount 30 June 2021	**2,482**	**1,408**	**33,879**	**--**	**37,769**

	Plant & Equipment $'000	Leasehold & Buildings $'000	Oil & Gas Assets $'000	Other $'000	Total $'000
Year ended 31 December 2021					
Opening net book amount at 1 January 2021	2,028	1,481	32.247	--	37,756
Disposals	--	--	--	--	--
Additions	1,328	74	8,794	--	10,196
Adjustment for decommissioning estimate	--	--	8,407	--	8,407
Impairment charge (note 4)	--	--	(96)	--	(96)
DD&A charge for year	(437)	(167)	(6153)	--	(6,757)
Translation differences	--	--	1	--	1
Closing net book amount 31 December 2021	**2,919**	**1,388**	**45,200**	**--**	**49,507**
At 31 December 2021					
Cost	16,222	3,412	318,058	336	338,028
Accumulated DD&A and impairment	(13,303)	(2,024)	(272,858)	(336)	(288,521)
Closing net book amount	**2,919**	**1,388**	**45,200**	**--**	**49,507**

9 Leases

(i) Amounts recognised in the condensed consolidated statement of financial position

The condensed consolidated statement of financial position shows the following amounts relating to leases:

	30 June 2022	30 June 2021	31 December 2021
	$'000	$'000	$'000
Right-of-use assets			
Non-current assets	608	762	616
Lease Liabilities			
Current	492	606	609
Non-current	202	232	97
	694	**838**	**706**

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.

(ii) Amounts recognised in the condensed consolidated statement of comprehensive income

The condensed consolidated statement of comprehensive income shows the following amounts relating to leases:

	30 June 2022	30 June 2021	31 December 2021
	$'000	$'000	$'000
Depreciation charge of ROU assets			
Depreciation	(258)	(251)	(505)
Interest expense (including finance cost)	(44)	(50)	(101)

The total cash outflow for leases in June 2022 was $0.3 million (June 2021: $0.3 million)

10 Intangible Assets

	Computer Software	Exploration and evaluation assets	Research and Development	Total
	$'000	**$'000**	**$'000**	**$'000**
Opening net book amount at 1 January 2022	496	30,217	46	30,759
Additions	24	219	141	384
Amortisation charge for the year	(112)	--	--	(112)
At 30 June 2022	**408**	**30,436**	**187**	**31,031**
Opening net book amount at 1 January 2021	307	27,042	--	27,042
Additions	111	930	--	1,041
Amortisation charge for the year	(70)	--	--	(70)
Closing net book amount at 30 June 2021	**348**	**27,972**	**--**	**28,320**
Opening net book amount at 1 January 2021	307	27,042	46	27,349
Additions	355	3,175	--	3,576
Amortisation charge for the year	(166)	--	--	(166)
Closing net book amount at 31 December 2021	**496**	**30,217**	**46**	**30,759**

- Computer Software: Costs incurred in connection with software.
- Exploration and Evaluation asset: represents the cost of the TGAL 1 exploration well and further Galeota E&E costs.
- Research and Development: In 2021, costs incurred in connection with various renewable energy initiatives.

11 Trade and Other Receivables

Due within one year	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Trade receivables	6,650	4,545	4,641
Less: provision for impairment of trade receivables[1]	(6)	(350)	(6)
Trade receivables: net	6,644	4,195	4,635
Prepayments	1,084	1,886	895
VAT recoverable	5,364	3,677	4,550
Other receivables*	1,174	1,865	767
Less: Provision for Impairment of other receivables	(146)	(1,503)	(100)
	14,120	**10,120**	**10,747**

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.

Trade receivables – Heritage net sales receipts have been collected on a timely basis. Since the Joint Interest Billing ("Jibs") balances are outstanding, an ECL was calculated at 30 June 2022 of $0.1 million (31 December 2021: $0.1 million) against Other receivables.

VAT recoverable – As at 31 December 2021 the VAT recoverable amount was $4.6m. During the period ending 30 June 2022, the Group generated future refunds of $1.4 million, net refunds received amounted to $0.6 million.

12 Derivative Financial Liabilities

The following table compares the carrying amounts and fair values of the group's financial assets and financial liabilities as at 30 June 2022.

	As at 30 June 2022 $'000	As at June 2021 $'000	As at 31 December 2021 $'000
Derivative Liability	(6,090)	(1,842)	(2,883)
Total	**(6,090)**	**(1,842)**	**(2,883)**

The group considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Trade receivables
- Trade payables
- Cash and cash equivalents

Fair Value Hierarchy

The level in the fair value hierarchy within which the derivative financial asset is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

The derivative financial assets are classified in their entirety into only one of the three levels.
The fair value hierarchy has the following level:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 recurring fair value measurements:

	As at 30 June 2022 $'000	As at 30 June 2021 $'000	As at 31 December 2021 $'000
Opening balance	(2,883)	266	266
Opening derivative instrument realised	2,883	--	(266)
Derivative expense (loss in fair value)	(6,090)	(2,108)	(2,883)
Closing balance	**(6,090)**	**(1,842)**	**(2,883)**

On 30 June 2022 the crude derivative contracts were valued using a Mark to Market report. The report provides estimated forward looking values on the existing crude derivatives held at 30 June 2022.

13 Share Capital

	Number of shares	Share capital $'000	Share premium $'000	Total $'000
As at 1 January 2022	38,879,431	389	--	389
As at June 2022	**38,879,431**	**389**	**--**	**389**

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

14 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 2022 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:

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
At 1 January	3,784	14,764	14,764
Capital reduction	--	(11,485)	(11,485)
Share based payment expense:			
Long term incentive plan	305	307	505
Translation difference	(2)	--	--
At 30 June/31 December	**4,087**	**3,586**	**3,784**

2022 LTIPs

On 7 June 2022, Options over a total of 290,000 ordinary shares were granted under the LTIP in accordance with a revised LTIP scheme ("the Revised LTIP") to members of the Executive Management Team (EMT) in respect of the Company's performance in the year to 31 December 2021. These LTIP awards will vest on 1 January 2025, subject to meeting the performance criteria set and continued employment in the Company.

The performance targets set for awards made under the June 2022 Annual LTIP Award will be measured considering both the Company's absolute TSR performance and the Company's relative TSR performance over a three-year period, commencing with the current financial year of the Company (i.e., a measurement period of 1 January 2022 to 31 December 2024). TSR calculations will be determined by reference to the volume weighted three-month average price prior to the start and end of the measurement period (with the starting average price adjusted for the Share Consolidation).

The performance targets provide that:

- No portion of a distinct one-half of the June 2022 Annual LTIP Award (the "Absolute TSR Part") may vest unless the Company's compound annual growth rate of TSR over the performance period is at least 10% p.a., for which 30% of the Absolute TSR Part may vest, rising on a straight-line basis for full vesting of the Absolute TSR Part if the Company's compound annual growth rate of TSR over the performance period equals or exceeds 20% p.a.

- No portion of the other distinct one-half of the June 2022 Annual LTIP Award (the "Relative TSR Part") may vest unless the Company's TSR over the performance period ranks at least median relative to the TSR performance within a comparator group of companies, for which 30% of the Relative TSR Part may vest, rising on a straight line basis for full vesting of the Relative TSR Part if the Company's TSR over the performance period ranks upper quartile or better relative to the TSR performance within a comparator group.

However, an underpin term applies to the Relative TSR Part which provides that, regardless of relative TSR performance, no vesting may ordinarily accrue in respect of the Relative TSR Part unless the Company's compound annual growth rate of TSR over the performance period is at least 10% per annum.

	June 2022 LTIPs
Grant Date	6 June 2022
Share price at grant dates	GBP135.00p
Exercise price	GBP0.00
Expected volatility	79.0%
Risk-free interest rates	1.83%
Expected dividend yields	0%
Vesting dates	1 January 2025

15 Deferred Income Taxation

The analysis of deferred income taxes is as follows:

	30 June 2022	**30 June 2021**	**31 December 2021**
Deferred tax assets:	**$'000**	**$'000**	**$'000**
-Deferred tax assets to be recovered in more than 12 months	(14,294)	(8,218)	(11,530)
Deferred tax liabilities:			
-Deferred tax liabilities to be settled in more than 12 months	1,982	2,062	2,025

The deferred tax balances are analysed below:

	1 January 2021 $'000	**Movement $'000**	**30 June 2021 $'000**	**Movement $'000**	**31 Dec 2021 $'000**	**Movement $'000**	**30 June 2022 $'000**
Deferred tax assets							
Tax losses recognised	(5,997)	(2,221)	(8,218)	(3,312)	(11,530)	(2,764)	(14,294)
	(5,997)	**(2,221)**	**(8,218)**	**(3,312)**	**(11,530)**	**(2,764)**	**(14,294)**
Deferred tax liabilities							
Accelerated tax depreciation	14,347	(508)	13,839	--	13,839	--	13,839
Fair value uplift	(11,737)	(41)	(11,778)	(37)	(11,815)	(43)	(11,857)
	2,611	**(549)**	**2,062**	**(37)**	**2,025**	**(43)**	**1,982**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits are probable. The Group recognises deferred tax assets over a 3 year outlook which is conservative and consistent with prior periods. There was an increase in the deferred tax assets of $ 2.8 million in the current year (2021: $ 2.2 million increase). Deferred tax liabilities have reduced by $ 0.0 million (2021: $ 0.5 million decrease) as the temporary differences between the accounting values and tax values decreased compared to the prior period. The Group has unrecognised tax losses amounting to $ 207.4 million which have no expiry date (2021: $ 216.3 million).

Deferred tax assets and liabilities are not shown offset in this condensed consolidated statement of financial position. Deferred tax assets and liabilities can only be offset 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).

16 Provisions and Other Liabilities

<u>**Non-Current:**</u>	**Decommissioning cost $'000**	**Closure of pits $'000**	**Total $'000**
6 months ended 30 June 2022			
Opening amount as at 1 January 2022	55,220	470	55,690
Unwinding of discount	554	--	554
Revision to estimates	--	(3)	(3)
Translation differences	54	--	54
Closing balance as at 30 June 2022	**55,828**	**466**	**56,295**
6 months ended 30 June 2021			
Opening amount as at 1 January 2021	45,405	470	45,875
Unwinding of discount	611	--	611
Translation differences	77	--	77
Closing balance as at 30 June 2021	**46,093**	**470**	**46,563**
Year ended 31 December 2021			
Opening amount as at 1 January 2021	45,405	470	45,875
Unwinding of discount	1,222	--	1,222
Revision to estimates	8,407	--	8,407
Decommissioning contribution	195		195
Translation differences	(9)	--	(9)
Closing balance at 31 December 2021	**55,220**	**470**	**55,690**

<u>**Current:**</u>	**Litigation claims $'000**
6 months ended 30 June 2022	
Opening amount as at 1 January 2022	46
Settlements	(10)
Closing balance as at 30 June 2021	**36**
6 months ended 30 June 2021	
Opening amount as at 1 January 2021	46
Closing balance as at 30 June 2021	**46**
Year ended 31 December 2021	
Opening amount as at 1 January 2021	46
Closing balance at 31 December 2021	**46**

17 Trade and Other Payables

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Trade payables	2,733	2,141	2,274
Accruals	5,246	2,931	4,486
Other payables	454	543	492
SPT	3,100	3,211	1,562
	11,533	**8,826**	**8,814**

18 Bank Overdraft

	30 June 2022 $'000	30 June 2021 $'000	31 December 2021 $'000
Bank Overdraft	2,700	2,700	2,700
	2,700	**2,700**	**2,700**

A repayable on demand overdraft facility of $2.7 million was entered with FirstCaribbean International Bank (Trinidad & Tobago) Limited ("CIBC") during 2020. The facility was increased on 5 January 2021 by $2.3 million to a total of $5.0 million, and the additional $2.3 million remains undrawn to date. The facility is maintained to fund working capital requirements of the Group, particularly those arising due to the delay in receiving VAT refunds.

Details of the overdraft facility:

- Description: $5 million demand revolving credit facility
- Interest Rate: United States Prime rate (currently 9%) minus 4.05 % per annum, with a present effective rate 4.95%, subject to a floor rate of 3.95%
- Repayment: Upon demand at CIBC's discretion
- Debenture: Floating charge debenture over Inventory and Trade Receivables only
- Covenant: Current Ratio not less than 1.25:1

19 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 items being DD&A, ILFA, SOE, Fair value gain/loss on Derivatives and Foreign exchange gain/loss.

The Group presents Adjusted EBITDA as it is used in assessing the Group's operating performance as management believes it better illustrates the underlying performance of the Group's business by excluding non-cash items not considered by management to reflect the underlying operations of the Group.

Adjusted EBITDA is calculated as follows:

	6 months to 30 June 2022 $'000	6 months to 30 June 2021 $'000	Year ended December 2021 $'000
Operating Profit Before SPT & PT	5,351	2,912	9,350
Depreciation, depletion and amortisation	3,884	3,656	7,428
Share option expense	316	307	626
Impairment/(reversal of impairment) of financial assets	45	993	(754)
Fair value of derivative instruments	3,207	2,108	3,149
Foreign exchange (gain)/loss/	(41)	52	14
Adjusted EBITDA	12,762	10,028	19,813

	$'000	$'000	$'000
Weighted average ordinary shares outstanding - basic	38,879	38,879	38,879
Weighted average ordinary shares outstanding - diluted	42,550	42,036	42,260
	$	$	$
Adjusted EBITDA per share - basic	0.33	0.26	0.53
Adjusted EBITDA per share - diluted	0.30	0.24	0.48

Adjusted EBITDA after the impact of Current Taxes (SPT, PT, UL and PPT) is calculated as follows:

	6 months to 30 June 2022	6 months to 30 June 2021	Year ended December 2021
	$'000	$'000	$'000
Adjusted EBITDA	12,762	10,028	19,813
SPT	(5,049)	(1,971)	(5,074)
PT	--	(288)	1,516
PPT/UL	(2,882)	(998)	(1,375)
Adjusted EBITDA after Current Taxes	4,831	6,771	14,880
	'000	'000	'000
Weighted average ordinary shares outstanding - basic	38,879	38,879	38,879
Weighted average ordinary shares outstanding - diluted	42,550	42,036	42,260
	$	$	$
Adjusted EBITDA after Current Taxes per share - basic	0.12	0.17	0.40
Adjusted EBITDA after Current Taxes per share - diluted	0.11	0.16	0.37

Note Adjusted EBITDA for 6months to 30 June 2021 was updated to reflect Covid-19 expenses.

20 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 period. Diluted earnings per share is calculated using the weighted average number of ordinary shares adjusted to assume the conversion of all dilutive potential ordinary shares.

	(Loss)/Profit $'000	Weighted Average Number Of Shares '000	Earnings Per Share $
Period ended 30 June 2022			
Basic	(398)	38,879	(0.01)
Diluted	(398)	38,879	(0.01)
Period ended 30 June 2021			
Basic	1,644	38,879	0.04
Diluted	1,644	42,036	0.04
Year ended 31 December 2021			
Basic	7,726	38,879	0.20
Diluted	7,726	42,260	0.18

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 are considered potential ordinary shares. Share Options of 28,954 are also considered potential ordinary shares but 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 as at 30 June 2022 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 as 30 June 2022.

21 Contingent Liabilities

i) The West Coast Point Ligoure, Guapo Bay and Brighton Marine Outer ("PGB") licences and the Farm-Out Agreement for the Tabaquite Block (held by Coastline International Inc.) have expired. There may be additional liabilities and commitments arising when new agreements are finalised, but these cannot be presently quantified until new agreements are available.

ii) Parent Company Guarantee:

a) PGB - A Letter of Guarantee has been established in substance over the PGB Block where a subsidiary of Trinity is obliged to carry out a Minimum Work Programme to the value of $8.4 million. A clause within the Letter of Guarantee implies that the Guarantor may reduce the Guarantee Sum available for payment to the MEEI under the Letter of Guarantee on an obligation-by-obligation basis provided PGB delivers to the Guarantor a certificate duly issued and signed by the MEEI. The PGB licence has expired.

b) Galeota - A Letter of Guarantee has been established in substance over the Galeota Block where a subsidiary of Trinity is obliged to carry out a Minimum Work Programme to the value of $0.9 million. A clause within the Letter of Guarantee implies that the Guarantor may reduce the Guarantee Sum available for payment to the MEEI under the Letter of Guarantee on an obligation-by-obligation basis provided the subsidiary of Trinity delivers to the Guarantor a certificate duly issued and signed by the Minister of the MEEI. The Letter of Guarantee was effective from 14 July 2021 until the earlier of performance of Minimum Work Programme or the Guarantor has paid the Guarantee amount.

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 condensed consolidated financial statements.

iv) On 1 December 2021, Trinity acquired the PS-4 Block Lease Operatorship Sub-Licence. As part of the lease agreement, a Performance Bond of $0.13 million was executed with Heritage on 27 April 2022.

22 Events after the Reporting Period

i) Subsequent to 30 June 2022, the Group has received VAT refunds of US$ 2.9 million

ii) During July and August 2022, the Group incurred US$1.3 million of hedging costs. As at 31 August 2022, the fair value of the Group's remaining hedge exposure was US$1.9 million. The remaining hedges expire as at 31 December 2022.

Type of Hedge	Index	Sell Put	Buy Put	Sell Call	Buy Call	Production	Execution Date	Effective Date	Expiry Date	Fair Value 31 Aug 22
	US$	US$/ bbl	US$/ bbl	US$/ bbl	US$/ bbl	bbls				US$ Million
3-Way Cost Collar	ICE Brent	50.0	60.0	74.4	-	12,500	2 Jun 21	1 Jan 22	31 Dec 22	(1.0)
3-Way Cost Collar	ICE Brent	40.0	50.0	80.5	-	15,000	27 Aug 21	1 Jan 22	31 Dec 22	(0.9)
Put spread option	ICE Brent	40.0	50.0	-	-	15,000	14 Jan 22	1 Jul 22	31 Dec 22	nil

iii) On 9 September 2022, the Company announced that 1,214,744 unvested options lapsed as at 30 June 2022. Accordingly, the Company's current issued share capital amounted to 39,884,637, vested but unexercised options amounted to 308,775 (representing 0.8 per cent of the Company's issued share capital) and a further 996,586 options (representing 2.5 per cent of the Company's issued share capital) are "in flight" (i.e unvested and subject to performance criteria).