



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 considered to be in the public domain.

30 January 2023

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

Q4 2022 Operational Update

Trinity Exploration & Production plc (AIM: TRIN), the independent E&P company focused on Trinidad and Tobago, provides an update on operations for the three-month period ended 31 December 2022 ("Q4 2022" or "the Period"). The information contained herein has not been audited and may be subject to further review and amendment.

Jeremy Bridglalsingh, Chief Executive Officer of Trinity, commented:

"Trinity delivered a robust operating performance in 2022 which continues to highlight the strength and resilience of our core business.

We delivered production for the year within guidance and we remain on-track to progress our growth agenda in 2023. We submitted an application in the 2022 Onshore and Nearshore Competitive Bid Round in January, we expect to have the reactivation of ABM-151 onstream in February and we continue to target further impactful wells, the most exciting of which is our proposed deep onshore well on the Jacobin prospect. These are the first near-term growth catalysts we are pursuing, as we unlock the value in our portfolio. Coupled with that, our programme of share buybacks reinforces our focus on creating and returning value to our shareholders.

Trinity is pleased to have bid for the Buenos Ayres block as part of the 2022 Onshore and Nearshore Competitive Bid Round. Following-on from the positive fiscal changes announced on 26 September 2022, the success of this licensing round demonstrates that the Government is focused on stimulating the energy sector which we expect will continue to provide additional growth opportunities for Trinity."

Q4 2022 Operational Highlights

- The Company maintained solid production performance over the year in line with guidance:
 - Q4 2022 sales volumes averaged 2,961 bopd (Q3 2022: 2,990 bopd).
 - Full year 2022 sales volumes totalled 2,975 bopd (2021: 3,006 bopd).
- The Company maintained year-on-year production through a combination of workovers, recompletion activities and swabbing.

- During Q4, 1 recompletion (“RCP”) (Q3 2022: 3) and 27 workovers (Q3 2022: 35) were completed, with swabbing operations continuing across onshore and West Coast assets.
- A total of 19 RCPs and 117 workovers were completed during 2022 (2021: 7 RCPs and 96 workovers).
- The third well of the 2022 onshore drilling campaign was completed and brought into production in the Period.
- Initial production levels for the three wells drilled in 2022 were on prognosis but subsequent performance is lower than planned. Each well drilled penetrated multiple oil-bearing horizons but is being produced currently from only a single interval. Trinity’s normal operating practice is to recomplete these wells sequentially in different productive horizons, or to complete multiple zones, which may improve and extend production levels in due course.
- 31 Tier 1 onshore wells are fully automated resulting in increased cost savings from reduced manual interventions and workover preventions.

Q4 2022 Financial Highlights

- Average realisation of US\$ 75.4/bbl for Q4 2022 (Q3 2022: US\$ 84.3/bbl) yielding a full year 2022 average of US\$ 84.9/bbl (FY 2021: US\$ 60.4/bbl).
- Operating cash flow pre-tax and pre-hedging of:
 - Q4 2022 US\$ 5.5 million (unaudited) (Q3 2022: US\$ 8.6 million).
 - FY 2022 US\$ 26.5 million (unaudited) (FY 2021: US\$ 20.5 million).
- Low operating break-even¹, pre-hedging, Q4 2022 US\$ 31.4/bbl (Q3 2022: US\$ 32.2/bbl) and US\$ 31.9/bbl (unaudited) for the full year 2022 (2021: US\$ 29.2/bbl).
- Cash balance of US\$ 12.1 million (unaudited) as at 31 December 2022 versus US\$ 18.3 million (audited) as at 31 December 2021 and US\$ 16.5 million (unaudited) as at 30 September 2022.
- Completion of the share buyback programme announced on 20 September 2022 with 672,000 shares repurchased (1.7% of the Company’s shares in issue) for US\$ 1.0 million.

A further US\$ 1.0 million buyback was announced on 24 October 2022 and, during the Period, the Company repurchased an additional 400,000 shares (1.0% of the Company’s shares in issue) for US\$ 0.53 million.

The buyback programme is ongoing. A further 152,000 shares have been repurchased during January 2023 (0.4% of the Company’s shares in issue). The total number of shares held in Treasury at 30 January 2023 is 1,224,000 (3.1% of the Company’s shares in issue).

¹ Operating break-even is the realised price/bbl where the adjusted EBITDA/bbl for the Group is equal to zero.

Outlook

Hedging Position

The company incurred substantial hedging costs in 2022 as a consequence of high oil prices following the Russian invasion of Ukraine. Those hedging instruments gradually unwound over the course of

2022, and from 1 January 2023 the Company has no hedging instruments in place. The total cash cost of the hedging programme in 2022 was US\$ 10.4 million.

The Company believes that hedging remains a valuable component of its risk management toolkit and will continually monitor the oil price environment alongside its financial commitments to determine any future hedging strategy.

Fiscal Reforms

The Government of Trinidad and Tobago's 2023 Budget Statement announced reforms to Supplemental Petroleum Tax and Investment Tax Credit. These were assented to in the *Finance (No. 2) Act, 2022* on 20 December 2022. The benefit to Trinity's cash flow, at a Brent oil price of US\$ 80/bbl, is estimated to be in the order of US\$ 2.5 million per annum for the existing business. In addition, new oil wells in shallow water marine areas (the definition of which covers Trinity's East Coast and West Coast assets), whether in existing fields or new fields, will benefit from lower Supplemental Petroleum Tax rates. We await the legislation which will allow us to calibrate the economic uplift associated with this amelioration.

East Coast - Galeota

The Company is progressing its assessment of alternative development concepts for the Galeota licence on the East Coast, taking account of the fiscal reforms introduced for new shallow marine wells. This includes acceleration of production of existing 2P reserves from the Trintex field. On completion of this work the Company may re-engage with counterparties that participated in a farmout process in 2022.

West Coast - ABM-151

The Company has been progressing a reactivation programme for a key West Coast well, ABM-151, involving the installation of a new crow's nest and boat landing, together with remote surveillance technology. Final approvals are being sought to introduce hydrocarbons into the system which is anticipated in February 2023 at an expected rate ranging between 60-110 bopd.

2022 Onshore and Nearshore Competitive Bid Round

On 9 January 2023 Trinity submitted a bid for the Buenos Ayres block in the 2022 Onshore and Nearshore Competitive Bid Round conducted by the Government of Trinidad and Tobago Ministry of Energy and Energy Industries ("MEEI") which had been launched on 8 July 2022.

At a bid round closing ceremony on 9 January 2023, the MEEI opened sixteen bids covering eight of the eleven blocks offered in the bid round, of which two (Trinity's and one other) were for the Buenos Ayres block. Successful bids are expected to be announced three months following the close of the bid round.

Buenos Ayres is located immediately to the west of Trinity's existing Palo Seco area interests with Blocks WD-5/6, WD-2 and PS-4 and, at its closest, is only around 500 metres from the Company's existing sub-licences. This proximity, together with Trinity's advanced technical understanding of the area's stratigraphy from the 2020 purchase and subsequent integration and mapping of the Palo Seco and NWD 3D seismic datasets, gives the Company confidence that it has submitted a highly credible and attractive application to the MEEI.

Drilling Update

On 26 January 2023, Trinity announced that it is progressing to drill the deep “Jacobin” well in the WD-5/6 area. The well will test a structural prospect defined on 3D seismic, with target reservoirs of Lower Cruse Miocene-age turbidite sandstones. The well will also intersect multiple shallower stacked reservoir targets.

A successful well would unlock both a further development of Jacobin and follow-on drill-ready prospects and mapped leads both on existing acreage and the Buenos Ayres block.

In Q4 2022, the Company placed an order for the specialist drilling tool required for the planned horizontal well. That tool is being manufactured specifically for Trinity with a delivery date during Q2 2023.

Cyber Incident

The Company was the subject of a sophisticated cyber incident in December 2022 and immediately took precautionary measures to protect its IT infrastructure and engaged with external specialists to investigate the nature and extent of the incident and implement its systems recovery plan. Trinity moved quickly to notify relevant regulators and law enforcement agencies.

Trinity's production facilities continued to operate safely throughout and the Company expects the impact on the business to be minimal.

Trinity's IT team and its external advisers continue to support the business in returning its administrative systems to full capacity incorporating learnings from the incident and embedding more resilient IT infrastructure, cyber security systems and procedures.

Enquiries:

Trinity Exploration & Production plc
Nick Clayton, Non- Executive Chairman
Jeremy Bridglalsingh, Chief Executive Officer
Julian Kennedy, Chief Financial Officer

[Via Vigo Consulting](#)

SPARK Advisory Partners Limited
(Nominated Adviser and Financial Adviser)
Mark Brady
James Keeshan

+44 (0)20 3368 3550

Cenkos Securities PLC (Broker)
Leif Powis
Neil McDonald

+44 (0)20 7397 8900

+44 (0)131 220 6939

Vigo Consulting Limited
Finlay Thomson / Patrick d’Ancona

trinity@vigoconsulting.com

+44 (0)20 7390 0230

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.

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, Exploration. 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 18+ years' experience.

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.