Trinity Exploration & Production plc
(the "Company" or “Trinity”; AIM:TRIN)

Interim Results

30th September 2014

Trinity, the leading independent E&P company focused on Trinidad & Tobago, is pleased to present its interim results for the six months ended 30 June 2014.

Financial highlights

- Revenues of USD 62.3 million (H1 2013: USD 54.5 million)
- EBITDA before exploration write-off and exceptional items of USD 12.5 million (H1 2013: USD 15.8 million)
- Operating profit before exploration costs write-off and exceptional items of USD 3.8 million (H1 2013 : USD 9.5 million)
- Cash inflow/(outflow) from operating activities USD 4.4 million (H1 2013 : USD (19.4) million)
- Net Loss After Tax of USD 22.9 million (H1 2013: profit of USD 53.6 million)
- Cash balance at period end of USD 9.6 million (H1 2013: 57.4 million) with USD 20.0 million in undrawn credit facilities

Operating highlights

- Net production of 3,795 boepd (H1 2013 : 3,524 boepd)
- TGAL development planning commenced; Field Development Plan (“FDP”) submission targeted for Q1 2015
- Reprocessed Galeota seismic data delivered at end Q2. Remapping of Trintes, TGAL, and Galeota exploration prospects and leads under way

Strategic highlights

- Post period end: strategic acquisition of 80% operated interest in shallow water Blocks 1a and 1b, with net undeveloped gas resources of 215 Bcf, for consideration of USD 23.0 million

Outlook

Key priorities for the Company are to:

- Progress TGAL discovery to FDP (Field Development Plan) approval
- Secure a gas sales agreement for Blocks 1a and 1b
- Fast track Block 1a and 1b to FDP
- High grade existing development well prospects to recommence drilling activities

FDP work has begun for both TGAL and Blocks 1a and 1b and discussions are ongoing with potential buyers for Blocks 1a and 1b gas. Trinity is pleased with progress to date on these initiatives and will make further announcements at the appropriate stage.

Given the drilling challenges to date at Trintes, the Company is taking every step to ensure future wells are delivered on time and on budget. Third party assurance work is underway to assess whether the rig upgrades are adequate, while well design work is being updated following successful horizontal drilling by the adjacent operator. Trinity is unlikely to recommence drilling at Trintes during 2014 until this work is completed.

Joel “Monty” Pemberton, Chief Executive Officer of Trinity, commented:

“Trinity has delivered strategic progress in the first half of 2014, despite operational setbacks on the B-9X well. Even so, our base production remains strong and the Company is positioned for growth.

Trinity’s portfolio has been enhanced with the acquisition of Blocks 1a and 1b, which adds a high quality greenfield gas development project in a developed gas market (current daily production of 4 bcf/d) that is currently short on natural gas. This acquisition diversifies our asset portfolio, future revenue stream and is a transformational acquisition for Trinity which is in line with our strategy.

Additionally, we have spent the period strengthening our operating capabilities to ensure we have the technical skills and experience to effectively manage our development projects. Craig McCallum’s appointment as Chief Operating Officer is a significant step forward in this regard.

Finally, Trinity is progressing industry sourced solutions to strengthen its balance sheet and ensure the business is adequately funded to develop and grow the existing portfolio.”

Enquiries

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About Trinity

Trinity is the largest independent E&P company focused on Trinidad and Tobago. Trinity operates assets onshore and offshore on both the West and East coasts. Trinity’s portfolio includes current production, significant near-term production growth opportunities from low risk developments and multiple exploration prospects with the potential to deliver meaningful reserves/resources growth. The Company operates all of its licences and has 2P reserves of 48 mmbbl. Trinity is listed on the AIM market of the London Stock Exchange under the ticker TRIN.LN.

OPERATIONS REVIEW

Onshore operations

Average H1 2014 net production for onshore was 2,088 bopd (H1 2013: 1,997 bopd). The increase in production volumes resulted from the five wells which were drilled and completed in H2 2013. Trinity suspended drilling operations during the first half of 2014 while discussions were ongoing with Petrotrin regarding upgrading the Company's licenses to improve efficiency, reduce operating costs and assess enhanced oil recovery opportunities on the combined acreage. External approvals have been secured for six new infill wells with an additional six infill well locations currently going through an approval process.

West Coast operations

Average H1 2014 net production from the West Coast assets was 580 boepd (H1 2013: 452 boepd). Increased workover and recompletion activity on the PGB block led to the positive increase in production volumes compared to previous period. Whilst at the same time there was a focus on remedial work following production challenges at the ABM-151 well and the MP-8 platform and gas lift optimisation at the Brighton field.

East Coast operations

Average H1 2014 net production from the Trintes field was 1,127 bopd (H1 2013: 1,075 bopd). The incremental production is attributable to the conversion of the Trintes field from a joint operating agreement to an overriding royalty agreement in H2 2013, which meant Trinity benefitted from 100% of the production volumes as opposed to 65%. Production during Q2 2014 was impacted by the failure of the D-9 electric submersible pump ("ESP") which contributed to a loss of 230 bopd. The D-9 ESP was replaced in late June 2014 and production restored to its previous level.

The B-9X infill well was drilled during H1 2014. The production test from the O-sand indicated that the completion interval was gas bearing. Technical work is being conducted to evaluate the full potential of the lower O-sand oil lobe and evaluate options for testing this interval. To accelerate production from the B-9X well, the O-sand interval has been temporarily isolated to allow a completion in the M-sand. The B-9X well encountered 85 feet of net oil sand in the M-sand and the original water contact for the fault block. The estimated initial production ("IP") rate for the M-sand completion is 75 to 130 bopd, however, due to encountering the original water contact in the fault block, the potential exists for a higher IP rate.

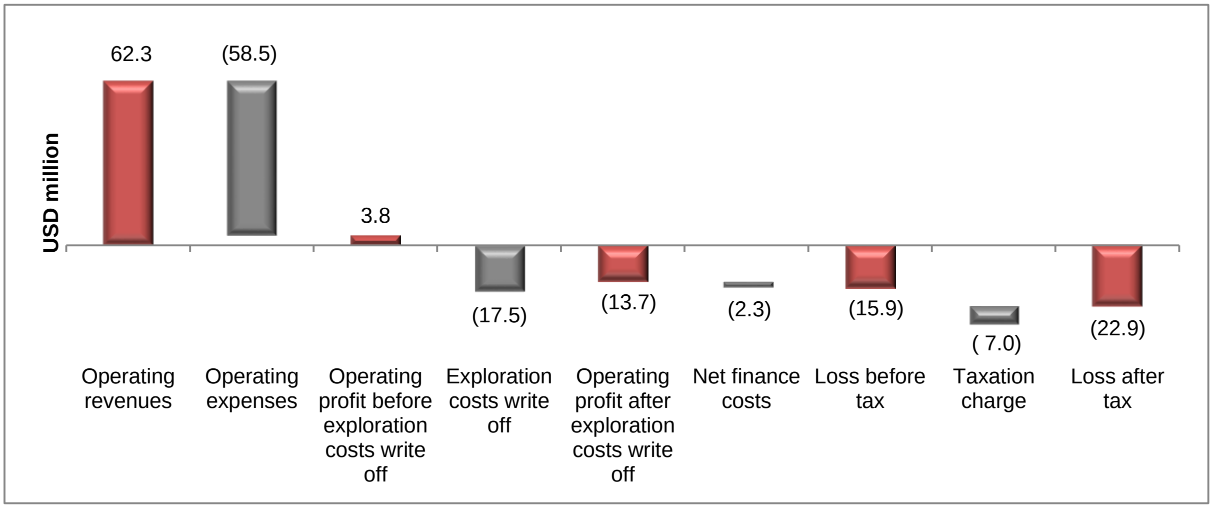
Exploration update

The Trinity operated El Dorado-1 exploration well was spudded on 6 December 2013, and reached total depth ("TD") on 5 February 2014 utilising the WS-152 jackup rig. The primary objective of the well was to test an undrilled fault block on the west flank of the Trinity operated Brighton field.

The well was drilled to a total depth of 6,174 feet measured depth ("MD") and intersected a shallow gas sand in the Pliocene section and marginal thin bedded oil pay in the Miocene section. In aggregate approximately 13 feet of net oil sands and 32 feet of net gas sands were encountered, however these were not deemed commercial and the well was plugged and abandoned with USD 17.5 million in costs written off during the period.

FINANCIAL REVIEW

Income Statement Analysis



Trinity's financial results for the first half of 2014 showed a Total Comprehensive Loss of USD 22.8 million (H1 2013: Income USD 54.1 million) on gross revenues of USD 62.3 million (H1 2013: USD 54.5 million).

Operating Revenues

Operating revenues of USD 62.3 million (H1 2013: USD 54.5 million). This increase was mainly attributable to (i) increased production, (ii) oil prices and (iii) increased crude oil sales volume on the East Coast.

- **Production**
  - The group's average production for the six month period was 3,795 boepd (H1 2013: 3,524 boepd) with 55% (2,088 bopd) sold onshore, 15% (580 boepd) attributable to the West Coast and 30% (1,127 bopd) from the East Coast

- **Crude oil prices**
  - Trinity benefitted from high oil prices during the first half of 2014, with an average WTI realised price of USD 93.0 (H1 2013: USD 91.2)

Operating Expenses

- Operating expenses of USD 58.5 million (H1 2013: USD 45.0 million) comprised of the following:
  - Royalties of USD 20.7 million (H1 2013: USD 16.7 million) increased due to higher oil prices
  - Production costs of USD 18.7 million (H1 2013: USD 17.4 million). The group experienced higher than anticipated operating costs on the East Coast
  - Depreciation, depletion and amortisation charges of USD 8.7 million (H1 2013: USD 6.3 million) were higher as a result of development wells drilled in H2 2013 transferred from work in progress into completed and increasing the depreciable asset pool in 2014
  - General and administrative (G&A) expenditure of USD 10.4 million (H1 2013: USD 4.6 million). The variance reported in H1 2014 compared to H1 2013 is a result of a full half year's reporting (H1 2013 reported only the post-acquisition reporting period of 4.5 months) as well as higher related to a publicly listed company

Operating Profit

Operating profit for the period amounted to USD 3.8 million (H1 2013: USD 9.5 million).

Exploration costs write off

The El Dorado-1 exploration well was written off in full to the amount of USD 17.5 million.

Net Finance Costs

Finance costs for the period totalled USD 2.3 million (H1 2013: USD 1.0 million) of which USD 1.7 million (H1 2013: USD 0.6 million) related to interest expense on loan facilities from Citibank (Trinidad & Tobago) Limited.

In addition, USD 0.6 million (H1 2013: USD 0.4 million) related to the unwinding of the discount rate on the decommissioning provision.

Taxation

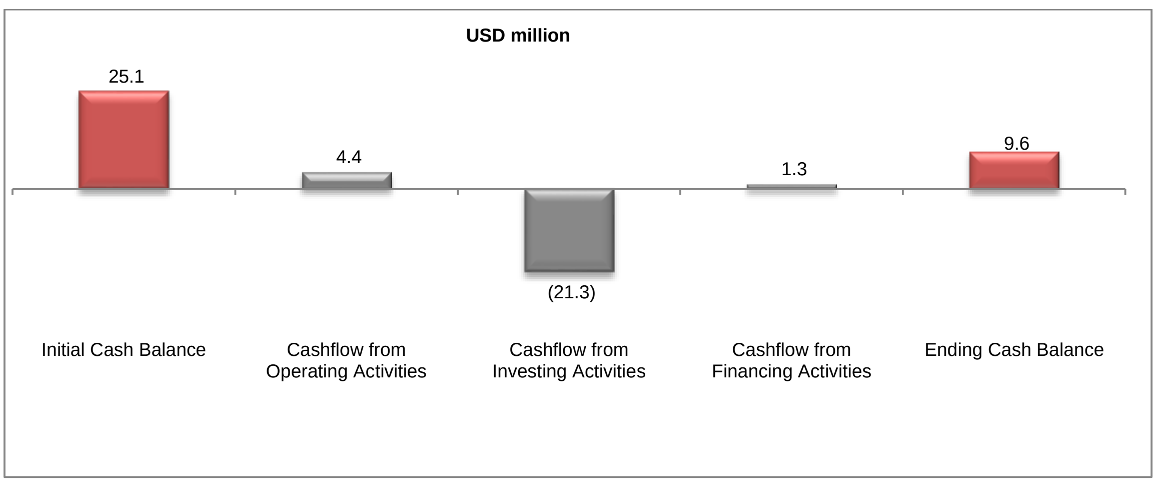
For the first half of 2014 taxes amounted to USD 7.0 million (H1 2013: USD 7.2 million) which comprised of:

- Production taxes which amounted to USD 10.3 million (H1 2013: USD 6.8 million)
  - PPT: USD 3.2 million (H1 2013: USD 3.0 million)
  - SPT: USD 7.1 million (H1 2013: USD 3.8 million)
- Deferred tax credit of USD 4.0 million (H1 2013: 0.5 million) and corporation tax of USD 0.7 million (H1 2013: USD nil)

Total Comprehensive Income

Trinity recorded a Total Comprehensive Loss of USD 22.8 million (H1 2013: Income USD 54.1 million) for the period ending 30 June 2014. Adjusted for exceptional items and exploration write off Trinity recorded Total Comprehensive Loss of USD 5.3 million (H1 2013: Income USD 1.8 million).

Cash Flow Analysis



Initial Cash Position

Trinity started the year with an initial cash balance of USD 25.1 million (2013 USD 22.7 million).

Cash from Operating Activities

For the period ending 30 June 2014, Trinity generated/(utilised) USD 4.4 million (H1 2013: USD (19.4) million) of cash from operating activities.

Changes in Working Capital

During the period Trinity experienced working capital outflows of USD 8.4 million (H1 2013: USD 30.6

million) which was substantially affected by payments for exploration drilling activities, but compensated by VAT collection. Significant changes are outlined in the table below.

	H1 2014		H1 2013	
	Uses of Cash (USD'000)	**Sources of Cash (USD'000)**	**Uses of Cash (USD'000)**	**Sources of Cash (USD'000)**
Inventory	405			171
Trade and other receivables		7,074		3,262
Trade and other payables	10,448		18,536	
Taxation Paid	4,654		15,476	
Change in Working Capital	**(8,433)**		**(30,579)**	

Trinity paid taxes of USD 4.7 million (USD 4.0 million relates to production taxes for 2013) in the first half of 2014 (H1 2013: USD 15.5 million of which USD 10.1 million related to production taxes for 2012).

Investing Activities

For the first half of 2014, Trinity incurred capital expenditures of USD 21.3 million (H1 2013: USD 24.3 million) comprising exploration and evaluation costs of USD 8.5 million (H1 2013: USD 0.9 million), drilling costs of USD 10.2 million (H1 2013: USD 16.0 million) and infrastructure costs of USD 2.6 million (H1 2013: USD 7.4 million).

Financing Activities

- On 22 January 2014, Trinity made an initial USD 5.0 million drawdown of the Citibank (Trinidad & Tobago) USD 25.0 million loan facility. On 4 August 2014, Trinity drew down the remaining balance of USD 20.0 million to fund the acquisition of Block 1a/1b, fully drawing down the debt facility
- Trinity made principal repayments totaling USD 2.0 million on its Citibank (Trinidad & Tobago) Limited USD 20.0 million loan facility during H1 2014

Closing Cash Balance
Trinity's cash balances at 30 June 2014 were USD 9.6 million (H1 2013: USD 57.4 million).

Bruce Dingwall	***Joel "Monty" Pemberton***
Executive Chairman	***Chief Executive Officer***

Statement of Directors' Responsibility

The directors' confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six 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 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

Joel Pemberton
Chief Executive Officer

Independent review report to Trinity Exploration & Production plc

Introduction

We have been engaged by the company to review the condensed consolidated interim financial statements in the half-yearly financial report for the six months ended 30 June 2014, which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement and related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. 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 Ireland) 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.

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 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules for Companies.

PricewaterhouseCoopers LLP
Chartered Accountants
Aberdeen
30th September 2014

The maintenance and integrity of the Trinity Exploration & Production plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trinity Exploration & Production plc

Condensed Consolidated Interim Financial Statements

For the period ended 30 June 2014

Trinity Exploration & Production plc

Condensed Consolidated Statement of Comprehensive Income for the period ended 30 June 2014

(Expressed in United States Dollars)

	Notes	Six months to 30 June 2014	Six months to 30 June 2013	Year ended December 2013
		$'000 (unaudited)	**$'000** (unaudited)	**$'000** (audited)
Operating Revenues				
Crude oil sales		62,240	54,401	123,585
Other income		41	75	234
		62,281	54,476	123,819
Operating Expenses				
Royalties		(20,688)	(16,697)	(37,343)
Production costs		(18,663)	(17,403)	(33,099)
Depreciation, depletion and amortisation		(8,706)	(6,301)	(13,211)
General and administrative expenses		(10,442)	(4,569)	(18,539)
		(58,499)	(44,970)	(102,192)
Operating Profit		**3,782**	**9,506**	**21,627**
Exceptional items	4	--	52,304	28,766
Exploration cost write off	7	(17,463)	--	--
Finance Income		2	52	--
Finance Costs		(2,260)	(1,047)	(2,357)
(Loss)/Profit Before Taxation		**(15,939)**	**60,815**	**48,036**
Taxation Charge	5	(7,005)	(7,248)	(9,481)
(Loss)/Profit for the period		**(22,944)**	**53,567**	**38,555**
Other Comprehensive Income				
Currency Translation		107	488	277
Total Comprehensive (Loss)/Income for the period		**(22,837)**	**54,055**	**38,832**
Total Comprehensive (Loss)/Income attributed to				
Owners of parent		**(22,837)**	**54,055**	**38,832**
Earnings per share (expressed in dollars per share)	13			
Basic		(0.24)	0.93	0.45
Diluted		(0.24)	0.86	0.43

Trinity Exploration & Production plc

Condensed Consolidated Statement of Financial Position for the period ended 30 June 2014

(Expressed in United States Dollars)

	Notes	As at 30 June 2014	As at 30 June 2013	As at 31 December 2013
ASSETS		**$'000**	**$'000**	**$'000**
		(unaudited)	(unaudited)	(audited)
Non-current Assets				
Property, plant and equipment	6	181,703	144,000	177,592
Intangible assets	7	50,024	45,325	59,002
Deferred tax asset		80,344	54,161	64,693
		312,071	243,486	301,287
Current Assets				
Inventories		12,434	11,386	12,029
Trade and other receivables		29,716	31,706	36,803
Taxation recoverable		540	435	528
Cash and cash equivalents		9,594	57,360	25,145
		52,284	100,887	74,505
Total Assets		**364,355**	**344,373**	**375,792**
EQUITY				
Capital and Reserves Attributable to Equity Holders				
Share capital	8	94,800	94,800	94,800
Share premium	8	116,395	115,637	116,395
Share warrants		71	71	71
Share based payment reserve		11,774	11,271	11,523
Reverse acquisition reserve		(89,268)	(89,221)	(89,268)
Merger reserves		74,808	74,809	74,808
Translation reserve		674	778	567
Accumulated (deficit)/surplus		(12,569)	26,387	10,375
Equity Attributable to Owners of the Parent		**196,685**	**234,532**	**219,271**
Non-controlling interest		--	(1,000)	--
Total Equity		**196,685**	**233,532**	**219,271**
Non-current Liabilities				
Borrowings	9	12,889	13,917	11,910
Provision for other liabilities	10	29,599	16,422	29,027
Deferred tax liability		58,030	44,466	46,387
		100,518	74,805	87,324
Current Liabilities				
Trade and other payables		50,669	29,466	61,117
Borrowings	9	6,000	3,976	3,989
Taxation payable		10,483	2,594	4,091
		67,152	36,036	69,197
Total Liabilities		**167,670**	**110,841**	**156,521**
Total Shareholders' Equity and Liabilities		**364,355**	**344,373**	**375,792**

Trinity Exploration & Production plc

Condensed Consolidated Statement of Changes in Equity
for the period ended 30 June 2014
(Expressed in United States Dollars)

	Share Capital	Share Premium	Share Warrant	Share Based Payment Reserve	Reverse Acquisition Reserve	Merger Reserve	Translation Reserve	Accumulated Deficit	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2013	34	17,550	71	7,295	--	52,853	290	(27,180)	50,913
Acceleration of share options	--	--	--	4,716	--	--	--	--	4,716
Placing shares issued	47,500	41,523	--	--	--	--	--	--	89,023
Share options exercised	--	--	--	(412)	--	--	--	--	(412)
Shares issued to previous equity holders of TEPL	25,618	(17,550)	--	--	(30,421)	22,353	--	--	--
Legacy Trinity share capital	21,648	80,817	--	--	(58,800)	--	--	--	43,665
Cost of raising equity	--	(6,703)	--	--	--	--	--	--	(6,703)
Share options granted	--	--	--	22	--	--	--	--	22
Legacy share options	--	--	--	(261)	--	--	--	--	(261)
Translation difference	--	--	--	(89)	--	(397)	488	--	2
Comprehensive income for the year	--	--	--	--	--	--	--	53,567	53,567
Balance at 30 June 2013 (unaudited)	**94,800**	**115,637**	**71**	**11,271**	**(89,221)**	**74,809**	**778**	**26,387**	**234,532**
Cost of raising equity	--	758	--	--	--	--	--	--	758
Shares option granted	--	--	--	165	--	--	--	--	165
LTIP's granted	--	--	--	88	--	--	--	--	88
Non-controlling interest	--	--	--	--	--	--	--	(1,000)	(1,000)
Translation difference	--	--	--	(1)	(47)	(1)	(211)	--	(260)
Comprehensive loss for the year	--	--	--	--	--	--	--	(15,012)	(15,012)
Balance at end of 2013 (audited)	**94,800**	**116,395**	**71**	**11,523**	**(89,268)**	**74,808**	**567**	**10,375**	**219,271**
Share based payment charge	--	--	--	251	--	--	--	--	251
Translation difference	--	--	--	--	--	--	--	--	--
Comprehensive Loss for the year	--	--	--	--	--	--	107	(22,944)	(22,837)
Balance at 30 June 2014 (unaudited)	**94,800**	**116,395**	**71**	**11,774**	**(89,268)**	**74,808**	**674**	**(12,569)**	**196,685**

Trinity Exploration & Production plc

Condensed Consolidated Statement of Cashflows for the period ended 30 June 2014

(Expressed in United States Dollars)

	Notes	Six months to 30 June 2014 $'000 (unaudited)	Six months to 30 June 2013 $'000 (unaudited)	Year ended 31 December 2013 $'000 (audited)
Operating Activities				
(Loss)/Profit before taxation		(15,939)	60,815	48,036
Adjustments for:				
Translation difference		133	131	79
Finance cost – loans		1,687	675	1,179
Share options granted		251	4,738	4,721
Finance cost – decommissioning provision		573	372	1,178
Finance income		(2)	(52)	--
Depreciation, depletion and amortisation	6	8,706	6,301	13,211
Exploration cost write off	7	17,463	--	--
Goodwill		--	--	2,746
Negative goodwill	4	--	(61,819)	(52,070)
Abandonment		--	--	1,624
Impairment on property, plant and equipment	4	--	--	3,468
Impairment of intangibles	4	--	--	7,786
		12,872	11,161	31,958
Changes In Working Capital				
Inventory		(405)	171	(472)
Trade and other receivables		7,074	3,262	(2,922)
Trade and other payables		(10,448)	(18,536)	13,842
		9,093	(3,942)	42,406
Taxation paid		(4,654)	(15,476)	(25,430)
Net Cash Inflow/(Outflow) From Operating Activities		4,439	(19,418)	16,976
Investing Activities				
Purchase of exploration and evaluation assets	6	(8,478)	(896)	(35,396)
Purchase of property, plant & equipment	6	(12,817)	(23,390)	(56,736)
Cash and cash equivalent acquired on acquisition		--	--	6,529
Net Cash (Outflow) From Investing Activities		(21,295)	(24,286)	(85,603)
Financing Activities				
Finance income		2	52	--
Issue of shares (net of costs)		--	84,110	84,868
Repayment of convertible shareholder loan notes		--	(6,355)	(6,355)
Finance cost – borrowings		(1,687)	(675)	(1,179)
Proceeds from borrowings	9	5,000	--	--
Repayments of borrowings	9	(2,010)	(4,223)	(6,217)
Net Cash Inflow From Financing Activities		1,305	72,909	71,117
(Decrease)/Increase in Cash and Cash Equivalents		(15,551)	29,205	2,490
Cash And Cash Equivalents				
At beginning of period		25,145	22,655	22,655
Cash acquired in acquisition		--	5,500	--
(Decrease)/Increase		(15,551)	29,205	2,490
At end of period		9,594	57,360	25,145

Trinity Exploration & Production plc

Notes to the Condensed Consolidated Financial Statements for the period ended 30 June 2014

1 Background and Accounting Policies

Background

Trinity Exploration & Production plc ("Trinity") was incorporated and registered in England and Wales on 21 February 2011 as Bayfield Energy Holdings plc ("Bayfield") and traded on the Alternative Investment Market ("AIM"), a market operated by London Stock Exchange plc. On 14 February 2013, Bayfield was acquired by Trinity Exploration & Production (UK) Limited ("TEPL"), a company incorporated in Scotland, through a reverse acquisition. On February 2013, the enlarged group was re-admitted to trading on AIM and Bayfield changed its name to Trinity Exploration & Production plc. Trinity ("the Company") and its subsidiaries (together "the Group") are involved in the exploration, development and production of oil and gas reserves in Trinidad and South Africa.

Basis of Preparation

These condensed interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with IAS 34, 'Interim financial reporting', as adopted by the European Union, on a going concern basis. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs as adopted by the European Union.

The results for the six months ended 30 June 2014 and 30 June 2013 are unaudited 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 2013 were approved by the board of directors and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year, as set out in the consolidated financial statements for the year ended 31 December 2013, except for income taxes in the interim periods which are accrued using the tax rate that would be applicable to the expected total annual profit and loss.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2014 that would be expected to have a material impact on the group.

Estimates

The preparation of 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 expense. Actual results may differ from these estimates.

In preparing these condensed 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 2013.

Business combination

The acquisition of subsidiaries is accounted for using the purchase method.
Identifying the acquirer in a business combination is based on the concept of 'control'. However in certain circumstances the positions may be reversed and it is the legal subsidiary entity's shareholders who effectively control the combined group even though the other party is the legal parent. IFRS 3 requires, in a business combination effected through an exchange of equity interests, all relevant facts and circumstances be considered to determine which of the combining entities has the power to govern the financial and operating policies of the other entity. These combinations are commonly referred to as 'reverse acquisitions'.

Business combination (Continued)

For each business combination, the cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Transaction costs are expensed directly to the Income Statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. Where the Group has acquired assets held in a subsidiary undertaking that does meet the definition of a business combination, purchase consideration is allocated to the net assets acquired and the interests of non-controlling shareholders are initially measured at their proportionate share of the acquiree's net assets.

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 condensed 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 2013, which can be found at www.trinityexploration.com. There have been no changes in the risk management department or in any risk management policies since the year end.

Liquidity risk
Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities, except the net increase in borrowings of $3.0 million.

3 Operating segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. Management have considered the requirements of IFRS 8, in regard to the determination of operating segments, and concluded that the Group has only one significant operating segment being the production, development and exploration and extraction of hydrocarbons.

All revenue is generated from sales to one customer in Trinidad & Tobago The Petroleum Company of Trinidad & Tobago (PETROTRIN). All non-current assets of the Group are located in Trinidad & Tobago except for $1.2million, (June 2013: $1.1 million), (December 2013: $1.2 million) located in South Africa.

4 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 Statement of Comprehensive Income. An analysis of the amounts presented as exceptional items in these financial statements are highlighted below.

	30 June 2014 $'000	30 June 2013 $'000	31 December 2013 $'000
Negative goodwill (note 11)	--	(61,819)	(52,070)
Goodwill	--	--	2,746
Business combination cost	--	2,253	2,254
Unrealised forex loss	--	2,546	2,342
Impairment on property, plant & equipment	--	--	3,468
Impairment of intangibles	--	--	7,786
Share based payment expense	--	4,716	4,708
	--	**(52,304)**	**(28,766)**

5 Taxation

	30 June 2014 $'000	30 June 2013 $'000	31 December 2013 $'000
Current tax			
- Current period			
Petroleum profits tax	3,196	2,977	5,821
Corporation tax	734	--	926
Supplemental petroleum tax	7,115	3,813	10,393
Deferred tax			
- Current period			
Movement in asset due to tax losses	(15,665)	458	(17,880)
Movement in liability due to accelerated tax depreciation	11,125	--	12,414
Unwinding of deferred tax on fair value uplift	517	--	(2,247)
Translation differences	(17)	--	54
Tax charge	**7,005**	**7,248**	**9,481**

6 Property, Plant and Equipment

	Land & Buildings	Oil & Gas Property	Plant & Equipment	Total
	$'000	$'000	$'000	$'000
Opening net book amount at 1 January 2014	2,558	168,901	6,133	177,592
Additions	7	12,776	30	12,813
Depreciation, depletion and amortisation charge for period	(68)	(8,118)	(520)	(8,706)
Translation difference	--	4	--	4
Closing net book amount	**2,497**	**173,563**	**5,643**	**181,703**
<u>Period ended 30 June 2014</u>				
Cost	3,215	268,327	12,142	283,684
Accumulated depreciation, depletion, amortisation and impairment	(718)	(94,768)	(6,499)	(101,985)
Translation difference	--	4	--	4
Closing net book amount	**2,497**	**173,563**	**5,643**	**181,703**
Opening net book amount at 1 January 2013	1,541	61,102	2,077	64,720
Acquisition	197	61,632	912	62,741
Additions	627	21,749	1,022	23,398
Disposals / transfers	--	--	(7)	(7)
Depreciation, depletion and amortisation charge for period	(143)	(5,671)	(486)	(6,300)
Translation difference	(16)	(518)	(18)	(552)
Closing net book amount	**2,206**	**138,294**	**3,500**	**144,000**
<u>Period ended 30 June 2013</u>				
Cost	2,702	222,451	10,177	235,330
Accumulated depreciation, depletion, amortisation and impairment	(480)	(83,639)	(6,659)	(90,778)
Translation difference	(16)	(518)	(18)	(552)
Closing net book amount	**2,206**	**138,294**	**3,500**	**144,000**

6 Property, Plant and Equipment (Continued)

	Land & Buildings	Oil & Gas Property	Plant & Equipment	Total
	$'000	$'000	$'000	$'000
Year ended 31 December 2013				
Opening net book amount at 01 January 2013	1,541	61,102	2,071	64,720
Acquisition	197	70,525	911	71,633
Additions	1,185	51,348	4,203	56,736
Abandonment	--	(1,624)	--	(1,624)
Impairment	--	(3,468)	--	(3,468)
Adjustment to decommissioning estimate	--	3,179	--	3,179
Depreciation, depletion and amortisation charge for year	(342)	(11,919)	(944)	(13,211)
Translation difference	(23)	(242)	(108)	(373)
Closing net book amount at 31 December 2013	**2,558**	**168,901**	**6,133**	**177,592**
At 31 December 2013				
Cost	3,231	256,129	12,220	271,580
Accumulated depreciation, depletion, amortisation and impairment	(650)	(86,986)	(5,979)	(93,615)
Translation difference	(23)	(242)	(108)	(373)
Closing net book amount	**2,558**	**168,901**	**6,133**	**177,592**

7 Intangible assets

	Exploration and evaluation assets $'000	Goodwill $'000	Total $'000
At 1 January 2014	59,002	--	59,002
Additions	8,478	--	8,478
Exploration cost write off[1]	(17,463)	--	(17,463)
Translation	7		7
At 30 June 2014	**50,024**	**--**	**50,024**
At 1 January 2013	--	7,856	7,856
Acquisition	36,643	--	36,643
Additions	896	--	896
Translation differences	--	(70)	(70)
At 30 June 2013	**37,539**	**7,786**	**45,325**
At 1 January 2013	--	7,856	7,856
Acquisition	23,606	--	23,606
Additions	35,396	--	35,396
Impairment charge	**--**	(7,786)	(7,786)
Translation difference	--	(70)	(70)
At 31 December 2013	**59,002**	**--**	**59,002**

Exploration and evaluation assets are tested for impairment (in accordance with the criteria set out in IFRS 6: Exploration for and Evaluation of Mineral Resources) whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceed their recoverable amount. The recoverable amount is the higher of the exploration and evaluations assets' fair value less costs to sell and their value in use. For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are grouped with existing cash generating units (CGUs) of related production fields located in the same geographical region. The geographical region is the same as that used for reserves reporting purposes.

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

- The period for which the Group has the right to explore in the specific area.
- Whether substantive expenditure on further exploration and evaluation in the specific area is budgeted or planned.
- Whether exploration and evaluation in the specific area have not led to the discovery of commercially viable quantities and the Company has decided to discontinue such activities in the specific area.

Whether sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

7 Intangible assets (Continued)

[1] The group has chosen to separately disclose the exploration cost write off of the El Dorado 1 exploration well below the operating profit line as it provides an unobstructed view of the group's operating profit performance and comparability with prior periods. The presentation allows the viewer to understand the impact on the group's profitability from an operational and also an exploration view point.

8 Share capital

	Number of shares	Ordinary shares	Share premium	Total
		$'000	$'000	$'000
As at 1 January 2014	94,799,986	94,800	116,395	211,195
As at 30 June 2014	**94,799,986**	**94,800**	**116,395**	**211,195**

On 14 February 2013 TEPL acquired Bayfield through a reverse acquisition. Bayfield issued 25,652,041 ordinary shares to the shareholders of TEPL which gave a 55% controlling interest in the combined entity. Bayfield changed its name to Trinity. On the same date a total of 47,500,000 shares were issued at GBP 1.20 and the Company was readmitted to AIM.

9 Borrowings and Loans

	30 June 2014 $'000	30 June 2013 $'000	31 December 2013 $'000
Current	6,000	3,976	3,989
Non-Current	12,889	13,917	11,910
	18,889	**17,893**	**15,899**

Movements in borrowings are analysed as follows:

	$'000
Six months ended 30 June 2014	
Opening amount as at 1 January 2014	15,899
Proceeds from new borrowings	5,000
Repayments from new borrowings	(2,000)
Translation difference	(10)
Closing amount as at 30 June 2014	**18,889**
Six months ended 30 June 2013	
Opening amount as at 1 January 2013	22,116
Repayment of borrowings	(4,223)
Closing balance as at 30 June 2013	**17,893**
Year ended 31 December 2013	
Opening amount as at 1 January 2013	22,116
Repayment of borrowings	(6,217)
Closing balance at 31 December 2013	**15,899**

9 Borrowings and Loans (Continued)

Citibank (Trinidad & Tobago) Limited Loan 1

The current and non-current portion lending represents amounts due to Citibank (Trinidad & Tobago) Limited.

The key terms of the loan are as follows:

- Principal amount $20,000,000
- Maturity date 20 December 2017
- Interest rate three month US Libor plus 600 basis points per annum
- Debenture over the fixed and floating assets of Trinity Exploration and Production (Trinidad & Tobago) Limited and its subsidiaries.
- Principal repayment in equal quarterly instalments commenced on 20 March 2013 and ending on 20 December 2017
- Interest payable monthly in arrears commenced on 20 March 2013

Financial covenants:

- The Group/Company was in compliance with its covenants throughout the period
- Minimum debt service coverage 1.4:1
- Maximum total debt to EBITDA 2.75:1
- Minimum EBITDA to Interest Expense 1.5:1

Citibank (Trinidad & Tobago) Limited Loan 2

The Group has on 17 August 2013 negotiated a floating rate medium term facility of $25.0 million with Citi Bank (Trinidad and Tobago) Limited from which $5.0 million has been drawn and $20.0 million remains at 30 June 2014.

The key terms of the loan are as follows:

- Tenor four years from closing date.
- Interest rate is set at US LIBOR for a period of three months plus 575 bps per annum.
- Principal repayment is quarterly in amounts to be determined beginning three months after the end of the availability period (20 August 2014).
- Multiple drawdowns permitted within the availability period.

Financial covenants:

- The Group/Company was in compliance with its covenants throughout the period
- Minimum debt service coverage 1.4:1
- Maximum total debt to EBITDA-Operating taxes 3.0:1
- Minimum EBITDA-Operating taxes to Interest Expense 1.5:1

Analysis of net debt

	At 1 January 2014 $'000	**Cashflow $'000**	**At 30 June 2014 $'000**
Cash and cash equivalents	25,145	(15,551)	9,594
Financial liabilities - borrowings current	(3,989)	(2,011)	(6,000)
Financial liabilities - borrowings non-current	(11,910)	(979)	(12,889)
	9,246	**(18,541)**	**(9,295)**

10 Provisions and Other Liabilities

	Decommissioning cost $'000	Employee retirement benefit $'000	Total $'000
Six months ended 30 June 2014			
Opening amount as at 1 January 2014	29,027	--	29,027
Unwinding of discount	572	--	572
Closing balance as at 30 June 2014	29,599	--	29,599
Six months ended 30 June 2013			
Opening amount as at 1 January 2013	9,891	685	10,576
Acquisition	5,978	--	5,978
Unwinding of discount	307	--	307
Decrease in the provision	--	(439)	(439)
Closing balance as at 30 June 2013	16,176	246	16,422
Year ended 31 December 2013			
Opening amount as at 1 January 2013	9,891	685	10,576
Acquisition	14,869	--	14,869
Adjustment to estimates	3,179	--	3,179
Unwinding of discount	1,178	--	1,178
Decrease in the provision	(90)	(685)	(775)
Closing balance at 31 December 2013	**29,027**	**--**	**29,027**

11 Business Combination

a) Summary of acquisition
On 14 February 2013, Trinity Exploration & Production (UK) Limited (formerly Trinity Exploration & Production Limited) ("TEPL") acquired Bayfield Energy Holdings plc ("Bayfield") by way of a reverse acquisition.

Whilst Bayfield became the legal parent of the group on that date, the shareholders of TEPL obtained control of Bayfield and the transaction was deemed a reverse acquisition. In order to execute the transaction Bayfield issued 25,652,041 ordinary shares, representing 55% of its share capital, to the shareholders of TEPL in exchange for 100% (34,182 shares) of the share capital of TEPL. Bayfield changed its name to Trinity Exploration & Production plc and was readmitted to trading on AIM on 14 February 2013.

The acquisition represented a strategic fit for TEPL as it has allowed TEPL to acquire production and reserves in a hydrocarbon basin which it previously had no exposure to whilst simultaneously providing an opportunity to recapitalize the company through the issue of new shares.
Details of the fair value of the assets and liabilities acquired are as follows:

	$'000
Purchase consideration (refer to b)	40,525
Fair value of net identifiable assets acquired (refer to c)	92,595
Negative goodwill (refer to c)	(52,070)

b) Purchase consideration
The purchase consideration is calculated as the fair value of all equity instruments of Bayfield (21,647,945 ordinary shares) prior to the acquisition, based on a share price of GBP 1.20 which was the value of placing shares traded on the day of the admission and the acquisition being unconditional. An exchange rate of USD: GBP is used, being $1.56 on the date of the acquisition.

11 Business Combination (Continued)

c) Assets and liabilities acquired

Recognised amounts of identified assets acquired and liabilities assumed:

	$'000
Cash and cash equivalents	6,529
Trade and other receivables	10,735
Inventories	8,224
Deferred tax asset	18,606
Exploration and evaluation assets	23,606
Property, plant and equipment	71,633
Trade and other payables	(31,869)
Decommissioning liability	(14,869)
Fair Value of Net assets	**92,595**

At the acquisition date, all contractual cash flows are expected to be collected. The decommissioning liability was increased by $8.9 million and is in respect of decommissioning of wells and platform which is expected at the end of the field life when production ceases. An impairment loss of $11.1 million was recognised on exploration and evaluation assets in respect of costs which did not relate to exploration and evaluation activity with a further reallocation of $1.9 million to property, plant and equipment. There was an impairment of $1.0 million within property, plant and equipment for a rig which was in a state of disrepair and unusable at the acquisition date.

In undertaking the acquisition, costs of $2.3 million were incurred and have been expensed to the consolidated statement of comprehensive income as an exceptional item (note 4).

The acquisition of Bayfield by TEPL resulted in a gain or bargain purchase as defined within IFRS 3, specifically paragraphs 32 and 34. The reason that the net assets acquired were greater than the consideration transferred was due to the Bayfield group experiencing liquidity issues and from a going concern perspective the group was distressed. This was the result of lower than expected cash flows as the underlying production growth was slower than expected and an inability to secure any additional funding. This eventually led to the Bayfield group agreeing to be acquired by TEPL. The negative goodwill recognised represents the gain where the aggregate fair value of the identifiable assets and liabilities at the acquisition date exceeded the fair value of the consideration transferred. In accordance with IFRS, the gain has been recognised immediately within the consolidated statement of comprehensive income as an exceptional item (note 4).

12 Related party transactions

The following transactions were carried out with the Group's related parties during the six months to 30 June 2014. These transactions comprised sales and purchase of goods and services in the ordinary course of business.

The receivables from related parties arise mainly from sale transactions and are due one month after the date of sales. The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties.

The payables to related parties arise mainly from purchase transactions and are due one month after the date of purchase. The payables bear no interest. There were no other related party transactions in the period.

	30 June 2014 $'000	**30 June 2013 $'000**	**31 December 2013 $'000**
Sales of goods and services to related parties	--	--	--
Purchase of goods and services from related parties	8,816	5,508	11,737
Receivables from related parties	--	--	78
Payables to related parties	4,830	1,281	1,041

13 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.

	Earnings – Total Comprehensive Income/(Loss) For The Period $'000	Weighted Average Number Of Shares $'000	Earnings Per Share $
Period ended 30 June 2013			
Basic	**54,055**	**58,334**	**0.93**
Impact of dilutive ordinary shares:			
Assumed conversion of warrants	--	62	--
Long term incentive plan - Legacy Trinity	--	109	--
Share options – Legacy TEPL	--	2,631	--
Share options – Legacy Trinity	--	445	--
Share options granted 29 May 2013	--	1,076	--
Diluted	**54,055**	**62,657**	**0.86**
Year ended 31 December 2013			
Basic	**38,832**	**86,275**	**0.45**
Impact of dilutive ordinary shares:			
Assumed conversion of warrants	--	54	--
Long term incentive plan - Legacy Trinity	--	96	--
Share options – Legacy TEPL	--	390	--
Share options – Legacy Trinity	--	2,306	--
Share options granted 29 May 2013	--	790	--
Long term incentive plan granted 1 July 2013	--	371	--
Diluted	**38,832**	**90,282**	**0.43**
Period ended 30 June 2014			
Basic	**(22,837)**	**94,800**	**(0.24)**
Impact of dilutive ordinary shares:	--	--	--
Diluted	**(22,837)**	**94,800**	**(0.24)**

The earnings per share figures for the period ended 30 June 2014 are presented based upon the Group and capital structure. As net losses from continuing operations were recorded in 2014, the dilutive potential shares are anti-dilutive and both basic and diluted earnings per share are the same.

14 Contingencies

i) One of the subsidiaries has received an assessment from the tax authority of Trinidad & Tobago namely, the Board of Inland Revenue (BIR), in respect of Petroleum Profits Tax. The subsidiary has filed a notice of objection with the BIR and until the matters are determined, the assessments raised are not considered final. No material unrecorded liabilities are expected to crystallise and accordingly no provision has been made in these financial statements.

ii) A subsidiary Company is a defendant in certain legal proceedings. A claim was made against the subsidiary by Mora Ven Holdings limited. The claim being made was that the subsidiary bought the shares of Ligo Ven Resources Limited, a fellow subsidiary, at gross under-value. Management, after taking appropriate professional advice, is of the view that no material liabilities will crystallise and accordingly no provision has been made in the financial statements for any potential liabilities.

iii) The farmout agreement for the Tabaquite block (held by Coastline International Inc.) has expired. There may be additional liabilities arising when a new agreement is finalised, but these cannot be presently quantified as a new agreement has not yet been finalised by both parties which would agree any terms or conditions inherent the financial statements do not include any estimates of such liabilities.

iv) Parent company guarantees:

a) A Letter of Guarantee has been established over the Point Ligoure-Guapo Bay-Brighton Block where a subsidiary of Trinity is obliged to carry out a Minimum Work Programme to the value of $8.4 million.
b) A letter of Guarantee is in place with Citibank (Trinidad & Tobago) Limited for the full $25.0 million loan facility should there be a default.

v) The Group has certain liabilities in respect of entering a rig share agreement for the Rowan Gorilla III which it used to drill the TGAL-1 well. The agreement was made amongst four parties and the liabilities are joint and several. The liabilities cannot be presently quantified and no estimates have been included in the financial statements. The Group does not expect that these liabilities will be material.

15 Events After the Reporting Period

1) On 17 July 2014 Trinity, announced that it has secured an agreement with Centrica plc to acquire its 80% interests in Blocks 1a and 1b (the “Assets”) offshore the west coast of Trinidad for a headline consideration of $23.0 million. The Assets contain four gas discoveries; Iguana, Zandolie East and Zandolie West on Block 1a and Anole on Block 1b, with aggregate gross 2C resources of 268 Bcf (215 Bcf net). The acquisition of the Assets has been deemed an asset purchase and not a business combination in accordance with IFRS. The transaction remains subject to regulatory approval. Trinity will fund the asset acquisition utilising its $20.0 million undrawn debt facility held with Citibank (Trinidad & Tobago) Limited ‘Citibank’ and existing cash resources. On 4 August 2014 the Citibank debt facility has been fully drawn.