

11 October 2019

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

Trinidad and Tobago Budget Highlights

Trinity, the independent E&P company focused on Trinidad and Tobago notes the Government of Trinidad and Tobago's proposed reforms encouraging investment in the energy sector included in this week's Budget Statement.

The Statement, in relation to oil production, specifically contained three notable changes as described below:

- 1) Supplemental Petroleum Tax ("SPT"): an increase in Investment Tax Credit from 20% to 25% thereby increasing the amount of capital expenditures that can be used to offset against SPT
- 2) Capital Allowances for Tangible and Intangible Drilling & Development costs: changing the allowance profile from 50% in year 1; 30% in year 2 and 20% in year 3 to 20% straight-line basis over 5 years, that is, 20% of costs per year
- 3) Loss Relief: a reduction in the rate from 100% to 75% of taxable profits. Thereby 75% of the current year taxable profits would be sheltered from Petroleum Profits Tax ("PPT") by brought forward losses, with any remaining tax losses continuing to be carried forward indefinitely

All changes will be effective from 1 January 2020.

Bruce Dingwall CBE, Executive Chairman of Trinity, commented:

"Whilst the change to investment tax credits to offset against SPT is to be welcomed, its impact on Trinity is effectively negated by the deferral of benefits for capital allowances and PPT relief. In aggregate, the net effect of the changes on Trinity's portfolio NAV, and expected free cash flow profile, is not expected to be material. There is an industry wide call for more fundamental SPT reform to encourage greater investment in the energy sector, and we remain at the forefront of discussions which we hope will result in further significant changes in due course. In the meantime, our focus remains on deploying both financial and operational levers to ensure Trinity can be free cash flow positive across the broadest possible range of oil prices (including a worst case SPT scenario)."

The full Budget Statement is available here:

<https://www.finance.gov.tt/wp-content/uploads/2019/10/BUDGET-STATEMENT-2020.pdf>

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About Trinity (www.trinityexploration.com)

Trinity is an independent oil and gas exploration and production company focused solely on Trinidad and Tobago. Trinity operates producing and development assets both onshore and offshore, in the shallow water West and East Coasts of Trinidad. Trinity's portfolio includes current production, significant near-term production growth opportunities from low risk developments and multiple exploration prospects with the potential to deliver meaningful reserves/resources growth. The Company operates all of its nine licences and, across all of the Group's assets, management's estimate of 2P reserves as at the end of 2018 was 24.5 mmbbls. Group 2C contingent resources are estimated to be 18.8 mmbbls. The Group's overall 2P plus 2C volumes are therefore 43.3 mmbbls.

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