RNS ANNOUNCEMENT: The information communicated in this announcement contains inside information for the purposes of Article 7 of Regulation 596/2014.

Trinity Exploration & Production plc

("Trinity" or "the Group" or "the Company")

Q1 2020 Operational Update

Strong production, financial resilience and a rapid and orderly response to the COVID-19 pandemic

Trinity Exploration & Production plc (AIM: TRIN), the independent E&P company focused on Trinidad and Tobago, today provides an update on its operations for the three-month period ended 31 March 2020 ("Q1 2020" or "the period").

The Company has responded rapidly and comprehensively to the impact of the COVID-19 pandemic and the OPEC+ standoff, which together prompted a significant decline in oil prices, with WTI (Trinity's benchmark crude) falling from approximately US$60/barrel to approximately US$20/barrel during the quarter. Despite this extremely challenging backdrop, the Company maintained production levels, increased its cash position and took steps to ensure Trinity's core strengths of a low cost base, financial prudence and operating excellence will enable the Company to weather a prolonged period of even lower oil prices if required.

Production volumes over Q1 2020 averaged 3,291 bopd and the Group's unaudited cash balances increased to US$14.2 million as at 31 March 2020 (US$13.8 million (unaudited) as at 31 December 2019). The Company maintained an operating break-even (revenues less royalties, opex and G&A) of US$26.7/bbl (unaudited) during the quarter and is now targeting an average operating break-even (inclusive of hedging income) of US$20.5/bbl for FY 2020.

Q1 2020 Operational Highlights

- 9% year-on-year increase in Group average production volumes to 3,291 bopd (Q1 2019: 3,020 bopd), representing 3% quarter-on-quarter growth (Q4 2019: 3,196 bopd).
- No new drilling took place in Q1 2020 but 3 recompletions ("**RCPs**") (Q4 2019: 7) and 39 workovers (Q4 2019: 26) were completed during the period, with swabbing continuing across all onshore assets.
- Continued deployment of Weatherford's Supervisory, Control and Data Acquisition ("**SCADA**") platforms with further roll-out to be implemented throughout 2020.
- Production volumes for the remainder of 2020 will depend on oil price and general market conditions supporting the economic case for the resumption of new drilling activity.
- Even if the prevailing oil price environment does not support the case for a resumption of drilling in the near term, net average production for 2020 is expected to increase to 3,100 – 3,300 bopd (2019: 3,007 bopd).

Q1 2020 Financial Highlights

- Average realisation of US$46.3/bbl for Q1 and, as a result, no Supplemental Petroleum Taxes ("**SPT**") will be payable with respect to Q1 production.
- Cash balance of US$14.2million (unaudited) as at 31 March 2020. Q1 2020 cash balances reflect cash outflows for Q4 2019 taxes (including SPT) of c.US$1.9 million, as well as annual payments (such as insurance) and capex of c.US$2.2m.
- Available cash and financial flexibility was further enhanced on 2 April 2020 with the full drawdown of the Company's US$2.7 million working capital facility with CIBC First Caribbean.

- Operational and general and administrative cost reductions have been enacted with further measures and contingency plans being put in place for the remainder of 2020.
- Stringent cost controls resulted in an average operating break-even of US$26.7/bbl (unaudited) for the period (March 2020: US$24.9/bbl (unaudited)), compared to US$28.9/bbl for Q1 2019.
- Reduced Overriding Royalties ("**ORR**") payable with lower oil prices:
    - Onshore: from 33% to 25% to 20% to 15% to 13% respectively when realisations average below US$50.0/bbl, US$40.0/bbl, US$30.0/bbl and US$20.0/bbl respectively
    - Offshore East Coast: from 13% to 12% to 11% to 10% to 9% respectively when realisations average below US$50.0/bbl, US$40.0/bbl, US$30.0/bbl and US$20.0/bbl respectively
    - Offshore West Coast: from 11% to 10% to 9% to 8% when realisations average below US$50.0/bbl, US$30.0/bbl and US$20.0/bbl respectively
- Hedge income totalled US$0.5 million in Q1 2020
    - Payouts received in respect of February and March when the average WTI price (US$50.5/bbl and US$30.5/bbl respectively) was below the hedge strike price of US$56.0/bbl
    - No hedge income was generated in January, as the WTI price (US$ 57.4/bbl) was higher than the hedge strike price of US$56.0/bbl
- The Company is now targeting an average operating break-even (inclusive of hedging income) of US$20.5/bbl for FY 2020.

COVID-19 Response

- As well as adapting to the financial challenges, Trinity has responded rapidly and comprehensively to the unprecedented human and operational consequences of the COVID-19 pandemic.
- The Board's primary focus has been the health and safety of our employees and our other stakeholders during this time. To that end remote working practices for all but essential field operators have been in place for some time and are working well.
- All international travel has been suspended and local travel kept to the minimum required to maintain well operations in the fields with appropriate physical distancing measures being adhered to.
- The Company's field operations have not, to date, been negatively impacted from COVID-19, but we continue to monitor the evolving situation and will put further appropriate measures in place as and when required.

Outlook

The Company's strong balance sheet and ongoing operational initiatives – focused on safely preserving and optimising production from existing wells – should help to dampen the impact of the unprecedented oil price volatility, which is likely to have a profound effect on the oil sector and the wider market. With a low operating break-even and stable base production being maintained, the Company will continue to prioritise cash management and maintaining a strong balance sheet during 2020.

The hedging programme that was put in place, as well as partially mitigating the impact of SPT when oil prices are in a US$50.0-US$56.0 range, provides the Company with a degree of protection against a sustained period of lower oil prices. The Company currently has hedges in place covering 47,500 bbls/month for the first six months of 2020 (equating to approximately 46% of its 2019 exit production) and 28,333 bbls/month for the second six months of 2020 (equating to approximately 28% of its 2019 exit production) and will receive hedge income of US$6.0 for each hedged barrel for each month when WTI averages below US$50.0/bbl.

The Company is focused on preserving cash and minimising discretionary capital expenditure ("**capex**"). As such, only essential infrastructure, asset integrity and production related spend is budgeted for Q2 2020. The Company's financial resilience should ensure that sufficient cash balances are retained throughout 2020, with detailed contingency plans in place to weather oil prices falling further from their current historic lows.

<u>Operations</u>

The extent and timing of the resumption of the onshore drilling programme in 2020 will be dependent on the prevailing economic environment. In the meantime, the sub-surface team has been tasked to prioritise the identification of high angle well (“**HAW**”) drilling locations and the Company will continue to roll out further SCADA platforms on selected existing wells.

On the Company’s east coast Galeota licence, positive dialogue continues with both Heritage Petroleum Company Limited (Trinity’s partner) and The Ministry of Energy and Energy Industries (Trinity’s regulator) in moving both the Trintes Field area and the TGAL field development forward. The Environmental Impact Assessment (“**EIA**”) study commenced in February. This is a pre-requisite of, and on the critical path for, being able to progress the development to Final Investment Decision (“**FID**”) when market conditions improve.

In these exceptional times, the Company continues to screen new business opportunities in Trinidad. With the Company’s sector leading low cost base, strong balance sheet, differentiated strategy and operating model, we are in a strong position to capture new business opportunities should they arise.

Update to Results Announcement Date

As a consequence of the global COVID-19 pandemic and the Financial Conduct Authority's guidance on the publication of results during this time, the audited preliminary results for the year to 31 December 2019, which were due to be announced in April, are now expected to be released in the first half of May. The results, which are expected to be in-line with expectations, will provide full details on production, margins, operating break-even, costs and profitability - highlighting the value of the Company's assets and continued strong financial performance.

Bruce Dingwall CBE, Executive Chairman of Trinity, commented: *“Our performance during the period, given the extremely challenging backdrop, was pleasing as we grew production and cash while reducing our already low operating breakeven. The strength of our operations and balance sheet ensure that we remain well placed despite the current oil price environment. Whilst we take some encouragement from the recent OPEC+ agreed production cuts, the ongoing COVID-19 situation means there is considerable uncertainty as to when oil prices will recover. However, we continue to prudently manage our operations, remain highly resilient to low oil prices and are open to capturing new business opportunities in a new era where attractive opportunities exist for more robust and lower cost operators.*

“I must thank all off our staff for their unstinting dedication to their jobs and responsibilities and to the supply chain and their employees for supporting our operations through this extraordinary period.”

Enquiries

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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.