



Trinity Exploration & Production plc

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

Receipt of US\$ 2.8 million in VAT Bonds "Further Strengthening of Liquidity Position"

Trinity, the independent E&P company focused on Trinidad & Tobago ("T&T"), today announces it has received VAT Bonds ("VAT Bonds") for US\$ 2.8 million in relation to outstanding VAT receipts from the T&T Government.

This represents a further strengthening of Trinity's liquidity position, details of which are provided below:

- The VAT Bonds relate to VAT refunds due for all periods prior to 2020, totalling US\$ 2.8 million
- VAT Bonds with a principal value of US\$ 2.8 million were received by Trinity on Friday 29 May
- The intention is to sell the VAT Bonds to a local financial institution, in the near term
- On sale, Trinity's unaudited proforma cash balances are expected to be approximately US\$ 19.1 million

Background

The VAT Bonds are part of a rapid response by the T&T Government to support businesses through the current Covid-19 pandemic. The Value Added Tax (Bond-Payment Refund) Regulations 2020 were issued on 3 April 2020 with the aim that VAT Bonds would be made available for companies that have refunds due in excess of TT\$ 500,000 (c. US\$ 74,000). The VAT Bonds have a maturity of 3 years from the date of issue, carry a coupon rate of 3.30% per annum (paid semi-annually) and are freely transferable. Trinity moved swiftly, immediately applying to the Board of Inland Revenue ("BIR") for the VAT Bonds following publication of the Regulations and, since their issue, commencing discussions with local financial institutions with a view to monetising them in the near term.

Impact

Following drawdown of Trinity's US\$ 2.7 million overdraft facility with CIBC, unaudited cash balances at the end of April 2020 were approximately US\$ 16.3 million. On sale of the VAT Bonds, proforma cash balances are expected to be approximately US\$ 19.1 million (equivalent to c. 4.0p/share).

Trinity is on track to deliver a 2020 FY average operating break-even (inclusive of hedging income) of US\$ 20.5/bbl versus a current WTI oil price of US\$ 35.5/bbl. This is expected to further strengthen Trinity's already strong liquidity position and enhance Trinity's ability to take advantage of any growth opportunities that may arise as a consequence of the current low oil price environment.

Bruce Dingwall CBE, Executive Chairman of Trinity, commented:

"The T&T Government has been impressive throughout the Covid-19 crisis, moving decisively and quickly. This led to a number one ranking by Oxford University on preparedness to exit Lockdown and currently there have been no new reported cases in over 36 days. At all levels of Government the co-operation and support we have received has been key to our sustaining seamless operations and the BIR has moved remarkably quickly in delivery of the VAT Bonds. We will further update the market on sale of the Bonds.

"Clearly the market has suffered due to the impact of the COVID-19 pandemic and the OPEC+ standoff, which together precipitated a significant decline in oil prices. Whilst the market backdrop is not as we would like, the strength of our operations, and our further strengthened balance sheet, ensure that we remain well placed despite the challenging environment. We continue to prudently manage our operations, remain highly resilient to low oil prices and confident we can ride out the storm and be open to capture the opportunities that will inevitably exist for the more robust and low cost operators."

For further information please visit: www.trinityexploration.com or contact:

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About Trinity

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 2019 was 20.9 mmbbls. Group 2C contingent resources are estimated to be 20.1 mmbbls. The Group's overall 2P plus 2C volumes are therefore 41.1 mmbbls.

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

