



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

Potential Positive Tax Reforms

General Election Manifestos Pledge Tax Reforms

Trinity Exploration & Production plc (AIM: TRIN), the independent E&P company focused on Trinidad and Tobago, notes the tax reforms both main parties have highlighted in their Manifestos ahead of the General Election in Trinidad & Tobago which is taking place on 10 August 2020.

The incumbent party of government, the Peoples National Movement ("PNM"), and the opposition party, the United National Congress ("UNC"), have both publicly acknowledged the need to reform the regressive Supplemental Petroleum Tax ("SPT") regime. SPT is currently applied to crude oil production when realisations average over US\$50.01/bbl in any given calendar quarter which significantly impacts economic returns, particularly when oil price realisations are between US\$50.01 and US\$60.0/bbl, and therefore acts as a major constraint on investment.

SPT was initially introduced in 1981, with the aim of delivering a higher government take on the super-profits being realised on the then thriving oil production. However, the tax has acted as a powerful disincentive for investment in the sector, with the consequence that crude oil production, and therefore employment, has subsequently declined significantly.

Both the PNM and the UNC have acknowledged the disincentive effect of SPT and have pledged reform if elected. The election result is expected on 11 August 2020.

The reforms proposed by both parties are likely to have an important positive impact on reversing the decline in productivity levels and increasing employment in Trinidad. The proposed changes, if enacted, could significantly enhance potential cash returns for the Company, enhancing our ability to invest to scale the business and increase shareholder value.

Links to Manifestos

PNM: <https://online.flippingbook.com/view/703188/2/>

UNC: <http://unctt.org/wp-content/uploads/2019/10/National-Economic-Transformation-Masterplan-2025-2025.pdf>

Bruce Dingwall CBE, Executive Chairman of Trinity, commented:

"The Manifesto pledges to significantly reform the SPT regime would, if enacted, be extremely positive for Trinity, and for all the smaller oil producers operating in Trinidad.

"Meaningful reform to the SPT regime would enhance the economic returns to all stakeholders; the T&T Government, Heritage, the Supply Chain and the people of T&T. Through such reforms, which are happening globally, incentivising increased activity and greater oil production will lead to maximising recovery from our reservoirs which in turn would lead to enhanced employment opportunities (and associated taxes paid) and a step-change in potential cash generation levels and returns for operators.

“There is still some way to go to get the proposed reforms into law as the country has to have the General Election, choose the senior Ministers, form a Cabinet and legislate to deliver the promised policies. Trinity, alongside the various lobbying chambers in Trinidad and other operators, will continue to press for this much needed change to be implemented as soon as possible”.

Enquiries

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

Trinity Exploration & Production plc +44 (0)131 240 3860
Bruce Dingwall CBE, Executive Chairman
Jeremy Bridglalsingh, Managing Director & Chief Financial Officer
Tracy Mackenzie, Corporate Development Manager

SPARK Advisory Partners Limited (Nominated Adviser and Financial Adviser) +44 (0)20 3368 3550
Mark Brady

Cenkos Securities PLC (Broker)
Joe Nally (Corporate Broking) +44 (0)20 7397 8900
Neil McDonald +44 (0)131 220 6939

Walbrook PR Limited +44 (0)20 7933 8780
Nick Rome trinityexploration@walbrookpr.com

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 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.