



**RNS ANNOUNCEMENT: This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation No 596/2014 which is part of English Law by virtue of the European (Withdrawal) Act 2018, as amended. On publication of this announcement via a Regulatory Information Service, this information is considered to be in the public domain.**

**Trinity Exploration & Production plc**

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

**Operations update, 2021 forward plans, guidance  
and Investor Presentation**

Trinity Exploration & Production plc (AIM: TRIN), the independent E&P company focused on Trinidad and Tobago, is pleased to provide a full year trading update for 2020, guidance for 2021 and an update on growth plans and opportunities for 2021 and beyond. This is in advance of a Q1 update in April 2021 and the Group's audited financial results for 2020 which are expected to be released in May 2021. The information contained herein has not been audited and may be subject to further review and amendment.

#### **Investor Presentation**

The Company will be hosting a presentation through the digital platform Investor Meet Company at 13.00 (GMT) today. Investors can sign up to Investor Meet Company for free and add to meet Trinity Exploration via the following link <https://www.investormeetcompany.com/trinity-exploration-production-plc/register-investor>.

#### **Bruce Dingwall, CBE, Executive Chairman of Trinity, commented:**

*"2020 was a successful year for Trinity, notwithstanding the challenging circumstances, as we continued to consistently deliver on our operational and financial targets. We not only met our production targets safely but also delivered the fifth consecutive year of operating break-even below US\$30.00/bbl. To put this in context, over the past five years, despite a 6% fall in average oil price realisations, Trinity has increased production by 27% whilst simultaneously reducing the operating break-even by 30%, resulting in a business with a robust production base and a strong margin. Our success in delivering these results, despite the unprecedented backdrop, reflects the quality of our assets, the strength of our team, and our unrelenting focus on operational efficiencies and innovation. This is complemented by maintaining a strong balance sheet, which is essential as we develop strategic options to meaningfully scale the business.*

*"Looking at the growth initiatives in front of us, we see opportunity in two areas. Firstly, in advancing current developments both onshore and offshore, and secondly, via the strategic partnerships we have recently entered into. This strategy is aimed at pursuing further low-cost appraisal and exploration targets along-side the development of transitional energy projects such as micro LNG, wind and solar power.*

*"We proved the strength of our model during the most difficult of circumstances in 2020 and have ambitious plans to build on this during the current year and beyond."*

#### **FY 2020 Summary**

- Average daily production up 7% to 3,226 bopd (FY 2019: 3,007 bopd)
- Operating break-even down 23% to US\$20.5/bbl (FY 2019: US\$26.4/bbl)
- Cash balance up 46% to US\$20.2 million at 31 December 2020 (31 December 2019: US\$13.8 million)
- Net cash up 27% to US\$17.5 million (FY 2019: US\$13.8 million)

- Total liquidity of US\$22.5 million (net cash + CIBC working capital facility)

### **FY 2021 Guidance Summary**

- Production guidance of 2,900 – 3,100 bopd (before drilling of new wells)
- Capital expenditure guidance of US\$6.0 – US\$8.0 million (before drilling of new wells)
- Hedging in place for c.50% of 2021 average production levels to protect against oil price declines
- Focus on maintaining production, preserving cash flow and investing to establish an energy business of scale

### **Building on Momentum**

Trinity was able to meet production guidance for 2020 despite drilling no new wells. Management has a strategy in place to underpin production levels in the current year, with 2021 production guidance of 2,900 – 3,100 bopd being achieved by increasing efficiencies from existing wells. At the same time, we are accelerating the integration and interpretation of the recently acquired 3D seismic data, which will enable the high grading of high angle and horizontal development drilling candidates. These studies will define the wider prospectivity of the Licence areas with a view to building further low risk infrastructure-led exploration and appraisal drilling prospects.

The quality of the Company's portfolio of assets and the strength of its team underpins management's confidence in Trinity's ability to explore and develop new projects that will build a business of scale and assist energy transition in Trinidad. The Company aims to further enhance its asset base and unlock value from offshore opportunities via partnerships – notably the Echo development on the East Coast and potentially the Jubilee Field bid process on the West Coast (which is currently in progress) as well as the onshore North West District bid process (which is still at an early stage). The Company will update the market when there is notable progress on these initiatives.

### **Development Opportunities**

#### ***Onshore***

#### ***Licence Extensions***

The Company extended the term of its Lease Operatorship Agreements ("LOAs") with Heritage Petroleum Company Limited ("Heritage") for its WD-2, WD-5/6, WD-13 and WD-14 blocks to 31 March 2021.

The LOAs were originally set to expire on 31 December 2020 and have been extended under existing terms and conditions while Trinity and Heritage finalise negotiations regarding longer term extensions and renewals for its LOA properties.

#### ***Fiscal Reforms***

The long-awaited reform of Supplemental Petroleum Tax ("SPT") has commenced with the Trinidad & Tobago Government ("GORTT") having implemented SPT reform for small onshore producers (< 2kbopd producers), raising the SPT trigger from US\$50 to US\$75/bbl effective 1 January 2021. This is expected to result in no SPT being payable in respect of the Company's onshore operations for at least 2020 and 2021. The Company will continue to lobby the GORTT for more fundamental reform to encourage the investment needed to grow production.

#### ***Automation Roll-out***

The Company is on track to meet its target of having 31 wells automated at its largest onshore field, WD5/6, by H2 2021. This is expected to facilitate an increase in revenues from the field by allowing production levels

to be optimised and downtimes to be minimised. Automation is also expected to improve margins and free cash flow generation by reducing well intervention works (including workovers).

### ***Seismic Data***

Following the recent acquisition of a 2D & 3D seismic package from Heritage Petroleum Company Limited, the 3D data (37 sq km) integration has commenced, and the subsurface team has been bolstered to accelerate the data integration and mapping process. This is the first time 3D seismic has been utilised by a lease operator in this area and offers the potential to high grade existing infill development candidates, assist in identifying high angle and horizontal well opportunities and explore the possibilities for enhanced oil recovery opportunities. The re-definition of basin fill and deformation (stratigraphy and structure) could enable the development of new plays on both a local and regional level providing the potential to build an onshore appraisal and exploration prospect inventory of scale in the near term. Given the need to complete the data integration and mapping process, the Company is not expecting to drill any new onshore wells during H1 2021. Decisions regarding the timing and scale of any H2 2021 drilling campaign will be taken in light of the prevailing oil price and other factors.

### ***West Coast***

Production from the Company's west coast assets performed ahead of expectations during 2020 facilitated by workovers and upgrades. The Company has also focused on maturing reactivation opportunities, with ABM 151 having the potential to add c.175 bopd, and development options for existing discoveries, notably ALM 22 with 2C resources of c.3.1 mmstb (not currently booked) an extension of the Jubilee/Cluster 6 developments currently on production.

### ***East Coast (Galeota)***

Production from the Company's east coast assets (Galeota) continued to meet expectations during 2020. As well as the current production from the Trintex field, the Galeota asset also includes a series of development opportunities (Echo, Foxtrot and Golf) which are being progressed.

A more robust legal and commercial framework is being established for Galeota, to include a new 25-year Licence and a new Crude Offtake and Sales Agreement (COSA), both of which are expected to be finalised during Q1 2021. These new agreements will enable future developments to be brought into production by offering potential partners and funders the requisite visibility and comfort on the legal and commercial framework.

The Echo development project in particular is advancing at pace. The dynamic reservoir modelling has been completed and the project economics are being finalised with a view to instigating farm-down/funding discussions which will be progressed during 2021. With the final Field Development Plan due to be approved in H1 2021, and the second environmental public consultation recently undertaken, a Final Investment Decision is currently expected during the fourth quarter 2021 with first oil targeted for 2023. Once on production, the Echo development is expected to deliver over 4,000 bopd.

### ***New Assets/Projects Update***

#### ***Jubilee Field Bid Progress***

The Company and Cairn Energy have been granted access to the data room for the Jubilee Field evaluation which forms the next stage of the bid process. Trinity and Cairn are one of only a limited number of groups to have been granted access to the data room in order to prepare and submit a development proposal.

The Company is hopeful that a successful bid on Jubilee would add significant value to the Company. Jubilee is a rare example of a sizeable producing field with significant undeveloped reserves. Current production from the area subject to the bid is c. 3,800 bopd but the field has approximately 1 billion bbls of estimated oil in

place. The bid area is part of the giant Trinmar group of fields that has produced over 750 million barrels of oil to date and is located adjacent to the Company's West Coast assets in the shallow water area between Trinidad and Eastern Venezuela.

#### ***North West District (NWD) Expression of Interest (EOI)***

The Company and Cairn Energy have submitted a joint EOI for the potentially high impact onshore exploration play in the North West District of Trinidad. Trinity and Cairn are expecting to hear whether they have been short-listed for the next stage of the bid process during Q1 or early in Q2 2021.

#### ***MOU signed with the National Gas Company of Trinidad and Tobago (NGC)***

The MOU signed with NGC to explore and develop new projects to support energy transition in Trinidad and potentially in the wider Caribbean and Latin America, is intended to assist Trinity to move towards diversifying its business streams into the transition fuel generation and supply chains.

#### ***Enquiries***

For further information please visit [www.trinityexploration.com](http://www.trinityexploration.com) or contact:

<b>Trinity Exploration &amp; Production plc</b>	+44 (0)131 240 3860
Bruce Dingwall CBE, Executive Chairman	
Jeremy Bridglalsingh, Managing Director	
Tracy Mackenzie, Corporate Development Manager	

<b>SPARK Advisory Partners Limited</b> (Nominated Adviser and Financial Adviser)	+44 (0)20 3368 3550
Mark Brady	
James Keeshan	

<b>Cenkos Securities PLC</b> (Broker)	
Neil McDonald	+44 (0)20 7397 8900
Derrick Lee	+44 (0)131 220 6939

<b>Walbrook PR Limited</b>	+44 (0)20 7933 8780
Nick Rome	<a href="mailto:trinityexploration@walbrookpr.com">trinityexploration@walbrookpr.com</a>

#### **About Trinity ([www.trinityexploration.com](http://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.