



Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR).

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

Trinidad and Tobago Budget Highlights

Announcement of Significant SPT Reform

Trinity Exploration & Production plc (AIM: TRIN), 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 the 2020 Budget Statement delivered on Monday evening.

The Statement contained proposed notable changes with regards to Supplemental Petroleum Tax ("SPT"), particularly for small producers and mature fields, with a view to encouraging investment and job creation, effective from 1 January 2021. Specifically:

- The threshold for the imposition of SPT will be lifted from \$50/bbl to \$75/bbl for fiscal years 2021 and 2022;
- This increased threshold will apply to small onshore producers (understood to be where the asset/licence produces less than 2,000 bopd) and is also expected to apply to small mature offshore fields;
- The new SPT regime will be reviewed, for continuation at this threshold level, at the end of the two year period.

SPT is currently applied to crude oil production when realisations average over US\$50.01/bbl in any given calendar quarter. This significantly impacts economic returns, particularly when oil price realisations are between US\$50.01 and US\$60.00, and has therefore been a major constraint on investment.

Impact

Trinity believes that, as a result of these proposed changes, none of its six Onshore assets/fields would be subject to SPT should oil price realisations reside in the US\$50-US\$75/bbl range. Furthermore, the Minister indicated that a similar provision would also be made available to small offshore production assets. Given that Trinity's offshore assets/fields are both mature and below the 2,000 bopd onshore threshold, Trinity's expectation is that its offshore producing assets are also likely to qualify for the new threshold rates.

The Budget changes to SPT, when implemented, will significantly improve our ability to generate sustainable cash flows, particularly in the US\$50-US\$75/bbl range, and therefore to invest to grow production and deliver attractive returns for shareholders. The changes will also improve the Company's ability to hedge more effectively against low oil prices and, particularly if enacted for the longer term, to employ a prudent level of financial leverage to lower our cost of capital.

In addition, given Trinity's low cost base, balance sheet strength and operational expertise, the Company is extremely well positioned to act as a consolidator of further small fields in Trinidad & Tobago. This budget change is highly encouraging for Trinity as it looks to broaden its portfolio with bolt-on acquisitions and new licence awards.

Bruce Dingwall CBE, Executive Chairman of Trinity, commented:

"The proposed Budget reform of the SPT regime is extremely positive for Trinity, and for all the smaller oil producers operating in Trinidad.

"Meaningful reform to the SPT regime will 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 will

lead to enhanced employment opportunities and a step-change in potential cash generation levels and returns for operators.

“There is still work to be done to finalise the legislation and Trinity, alongside the various lobbying chambers in Trinidad, as encouraged by the Minister of Finance, will continue to provide input to the drafting of the Bill in the coming weeks and months.

“Meaningful change to SPT has been a long time coming and I must thank the Government for taking this important step to stimulate oil production activity in Trinidad. The Government has done this against the difficult backdrop of the conditions that the COVID-19 pandemic has created and as such, it sends a clear signal as to the importance of the oil sector to Trinidad.”

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 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 listed on the AIM market of the London Stock Exchange under the ticker TRIN.