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Trinity Exploration & Production plc

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

Galeota Licence Update

New 25 year Licence, increase to 100% Working Interest and Significant Improvement in Terms

Trinity Exploration & Production plc (AIM: TRIN), the independent E&P company focused on Trinidad and Tobago, is today pleased to announce that a new Galeota Exploration and Production Licence (the **"Galeota Licence"** or the **"Block"**), on the East Coast of Trinidad, has been issued by the Ministry of Energy and Energy Industries (**"MEEI"**). Contemporaneously, Trinity has agreed new and improved commercial terms with its partner on the Block, Heritage Petroleum Company Limited (**"Heritage"**).

Highlights/Improved Commercial Terms

- New 25 year Licence commencing 14 July 2021 (initial six year term with 19 year extension in accordance with the Petroleum Act) covering an area of 19,280 acres (7,802 hectares) with significantly reduced minimum work obligations and performance guarantees
- Heritage's 35% working interest across the Galeota Licence has been converted to an overriding royalty ("**ORR**"):
 - Previously Trinity held a 100% working interest ("**WI**") only over the Trintes producing area and a 65% WI across the wider Block
 - Trinity now has a 100% WI over the entire Block and can therefore recognise 100% of the reserves and resources across the entire Galeota Licence. As a consequence, management's estimate of the Group's Net 2C contingent resources are now 31.06 mmbbls (previously 23.25 mmbbls). Management's estimate of the Group's Net 2P reserves (as at the end of 2020) remains 19.55 mmbbls and so the Group's overall Net 2P plus 2C volumes are therefore 50.61 mmbbls (previously 42.80 mmbbls).
- The conversion also results in a material reduction in ORR rates across both the producing Trintes field and the wider Block
- Moving to a 100% WI will also enable Trinity to apply the bulk of its substantial tax losses across the entire Galeota Licence, enabling them to be utilised more quickly
- New Crude Oil Sales Agreement ("**COSA**") signed for the Galeota Licence, giving greater pricing clarity to Trinity and potential funding partners
- Improved Joint Operating Agreement ("**JOA**") now more aligned to International JOA standards

Bruce Dingwall CBE, Executive Chairman of Trinity, commented:

"Today's announcement marks the start of the next phase of the Galeota Block development. The Galeota Block, which includes the current Trintes Field production, the Echo Field Development and the Foxtrot and Golf appraisal areas is a core asset of the Group. We are extremely pleased with the outcome of our constructive negotiations with the MEEI and Heritage. The improvements in the Licence and JOA terms

support a return to sustained investment across the Block, to the mutual benefit of Trinity, Heritage and the Government of the Republic of Trinidad and Tobago (“**GORTT**”).

“The significantly improved ORR terms and new COSA provide Trinity and prospective funding partners with attractive commercial terms and the requisite visibility to bring on new low carbon development projects such as Echo, incentivising maximum resource extraction at a time of high oil prices and a transition towards lower carbon energy supplies.

“We appreciate the commitment of both the leadership team at Heritage and the proactive approach and support that we have received from the MEEI and we look forward to working with all stakeholders to optimise the significant mutual benefits of these new arrangements.”

Background

Trinity has been operating the Galeota Licence area under rollover terms since the expiration of the 2009 Galeota Licence in 2015. The new exploration and production licence has been granted by the MEEI for a 25 year period, an initial period of six years commencing 14 July 2021, after which Trinity will have the opportunity to extend the licence for a further 19 years.

Under the old licence, Trinity held a 100% interest in the Trintes producing area and a 65% working interest in the wider Block (including the contiguous Echo, Foxtrot and Golf appraisal areas) with Heritage holding the remaining 35% WI as part of a JOA. Contemporaneous to negotiating the new Licence terms with the MEEI, Trinity has agreed with Heritage a Conversion to Override Agreement (“**CVORR**”) for its 35% interest in the wider Block, which increases Trinity’s interest across the entire Galeota Licence area to 100%.

Revised Licence Terms

- Core focus area defined with new licence area comprising 7,802 hectares (versus 12,300 hectares) following relinquishment of acreage
- Significant reduction in minimum work obligations and performance guarantee
- Revised financial obligations broadly similar, with immaterial impact on NAV

Revised Commercial Terms with Heritage

New CVORR

Under both the old and new licence, the ORRs are set on a sliding scale against production and realised price. However, as part of the CVORR, Trinity has agreed significantly improved licence-wide ORRs to incentivise higher activity levels and maximise economic recoveries (lower ORRs applied across all production levels and realised oil prices). In particular, the Echo development (and any subsequent developments within the Block) will benefit from a nominal ORR rate for an initial 6 year period on first oil from Echo.

New COSA

Under the previous arrangements, Trinity received an equity land blend price for its crude oil from Heritage. Under the new COSA with Heritage, all crude sale receipts will be index linked to ICE Brent with an agreed discount (and the removal of a previous transportation fee) on a one year rolling basis effective 1 August 2021. This formula is now aligned to an internationally recognised index and provides much greater pricing transparency to Trinity and to potential funding partners.

Outlook/Next Steps

As well as the current production from the Trintex field, the Galeota Licence also includes a series of development and appraisal opportunities (Echo, Foxtrot and Golf) which are being progressed. The agreement of a new 25 year Licence and the improved commercial terms are crucial milestones in being able to attract funding partners and move towards a Final Investment Decision (“FID”) to bring the Echo development to fruition. Echo's location near to existing infrastructure, including Trinity's producing Trintex field, and proximity to the shoreline (and our existing tank farm) makes it a highly attractive development project in our view.

The Phase 1 offshore development on the Galeota Licence will be the first of its kind in Trinidad, being powered from the shore. The Project has the potential to add additional peak production of at least 4,000 bopd on the current development concept. Work is currently ongoing on pre-Front End Engineering Design (“FEED”) studies and environmental approvals as we move towards FID at the earliest opportunity. The First Phase currently contemplates the installation of a low cost, minimum footprint, eight well conductor supported platform for the Echo development area, a new pipeline from Echo to shore (also tying in the existing Trintex production and including “T” sections for future-proofing the potential development of the Foxtrot and Golf appraisal areas). It is expected that Echo will be powered from shore (employing wind power and solar technologies) with tiebacks to the Trintex platforms. As there will be no offshore power generation (i.e. no diesel, no generators, no fuel transfers or storage), and with the platform being normally unmanned, the development will have a nominal carbon footprint when compared to standard offshore developments.

The revised ORR structure significantly improves the economic potential of the Block with a nominal Super Enhanced ORR on production above 1,200 bopd in the initial 6 year period from first fiscalised oil from Echo (compared to 10% previously). In addition, the significant reduction in the Base ORR (when production is below 1,000 bopd) will enable Trinity to push out the economic life of the Block. This new arrangement reflects Heritage's proactive approach to ensure value is sustained and future reserves recovery is maximised for all stakeholders.

It is also worth noting that the bulk of Trinity's substantial tax losses can now be applied across the entire Galeota Licence, enabling them to be utilised more quickly, which further underpins the attractive economics of Echo and any future developments.

More detailed updates on the Galeota Licence and the plans going forward will be made in due course.

Enquiries

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About Trinity (www.trinityexploration.com)

Trinity is an independent oil 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 the Group's 2P reserves as at the end of 2020 was 19.55 mmbbls. Group 2C contingent resources are estimated to be 31.06 mmbbls. The Group's overall 2P plus 2C volumes are therefore 50.61 mmbbls.

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