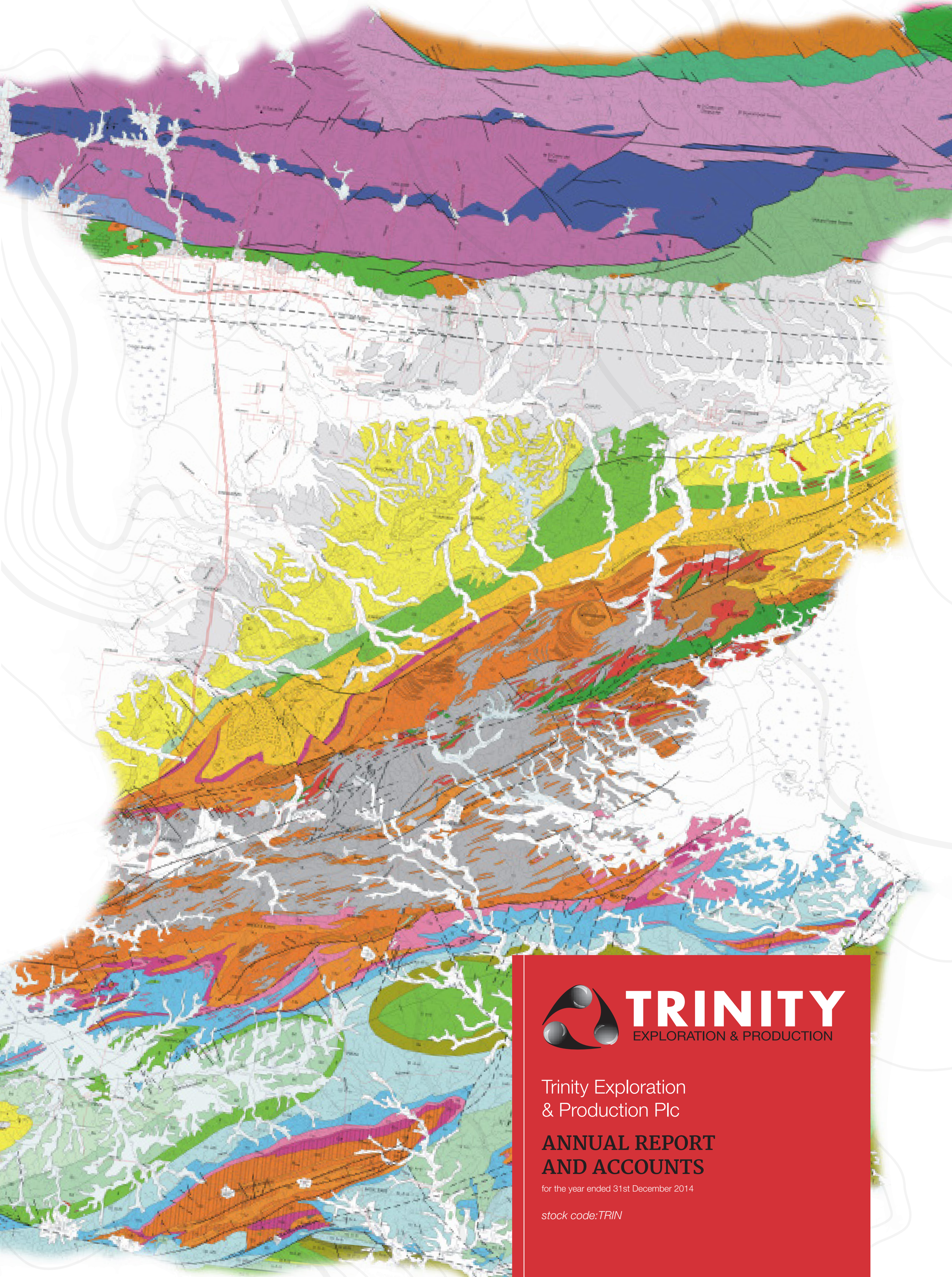


TRINITY
EXPLORATION & PRODUCTION

Trinity Exploration
& Production Plc

ANNUAL REPORT AND ACCOUNTS

for the year ended 31st December 2014

stock code:TRIN

TRINITY
EXPLORATION & PRODUCTION

Trinity Exploration & Production (Trinity or the Group) is the largest independent full-cycle oil and gas company focused solely on Trinidad and Tobago. We operate assets both onshore and offshore on the West and East coasts. Our portfolio includes assets under production, near-term production growth opportunities and long-term exploration potential.

WHY TRINIDAD AND TOBAGO?

Trinidad and Tobago is a prolific hydrocarbon basin where sustained growth in oil and gas production remains a strategic national interest. A mature network of infrastructure is supported by easy access to downstream markets, equipment, services and skilled labour within the Country. With a progressive fiscal regime and favourable regulatory environment, opportunities exist to build a business of scale with fallow discoveries that offer near term development projects, and through partnerships with major upstream players to monetise stranded reserves.

VISION

Trinity is seeking to build Trinidad's first independent oil and gas company of scale. The energy industry in Trinidad and Tobago is mature and our vision of growing reserves and production through exploration, development activities, and partnering with other companies to monetise stranded reserves is key to our success. We will achieve this by being fit for purpose, adopting the right behaviour, and being rigorous in our decision-making process.

|BEHAVIOUR|RIGOUR|PURPOSE|

"At Trinity, it's not just about oil. Our philosophy of behaviour, rigour and purpose are the foundation of everything we do.

People are at the heart of our operations and we believe that everyone should be treated equally, displaying behaviour which mirrors professionalism, fairness and respect.

Collaboration is key to our success, and operational efficiency is achieved through rigorous thought, analysis and planning by our multidisciplinary team.

Our purpose is to develop leadership which leaves a lasting, positive and sustainable impact as we achieve our business goals.

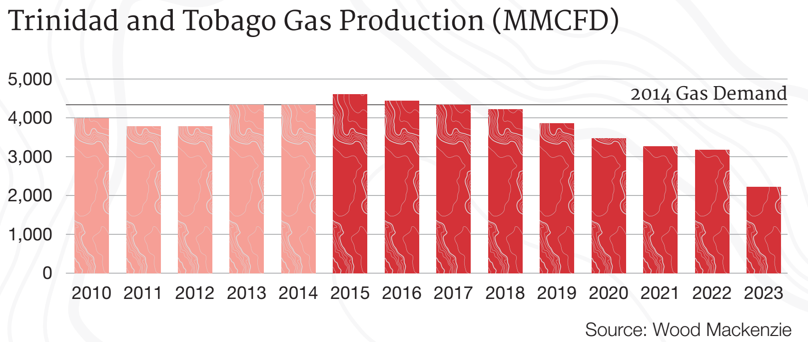
These values and ethos are the foundation for how we work, whilst monetising our resource base and capturing economic returns for all stakeholders.

Our commitment to this philosophy fuels our social conscience and ensures that as our evolution continues, we continue to act as a channel for community and industry excellence. At Trinity, we start from within."

Joel M. C. Pemberton

CHAIRMAN'S STATEMENT

BRUCE A. I. DINGWALL, CBE



OUR STRATEGY

We continue to work towards building a company that adds diversity to a world class basin dominated by Major operators, and help maximise hydrocarbon recovery in years to come. We saw a gap in the market, and ten years later, as Trinity, we are strategically capitalising on the rich natural and human resources to become Trinidad and Tobago's first independent oil and gas company of scale.

Despite the liquidity challenge and those posed by the lower oil price environment, Trinity's vision and strategy have remained unchanged since 2005, ensuring that we remain a unique industry player. Our selection of a highly specialised, productive and multidisciplinary team compliments our efficient operating systems. Getting the right people into the right positions, and the right assets into the right hands will certainly help us, and the local industry to move forward in spite of the growing pressures.

THE INDUSTRY CONTEXT

The global oil and gas industry has been impacted dramatically by the swift and significant drop in oil prices. Energy demand has slowed at a time when OPEC has stepped aside from controlling supply and US shale oil production continues to build inventories. However, the corollary is that we have also seen costs falling in certain areas of the services sector as suppliers re-adjust prices to remain competitive in a challenging environment. It is during such times that companies and governments around the world need to work together to ensure a fair fiscal take from the industry, but also, to maintain the ability of companies to earn a rate of return that sustains production and development activities. Strategic investments in good quality projects still deliver good returns

Conventional equity and debt capital markets have withdrawn liquidity from the sector leading the industry to be more creative in funding solutions for growth and conserving balance sheets. In support of this the industry must see greater collaboration. The new commodity price environment has created an opportunity to revise operating practices across the industry. With a clear vision, we can ensure that all players benefit together. The downtimes in the commodity price cycle teaches us lessons that we should retain during the uptimes as well.

TRINIDAD AND TOBAGO: A UNIQUE OPPORTUNITY

The Country has over a century's history as the largest oil and natural gas producer in the Caribbean. With numerous opportunities for investment within a tight geographical area, the spectrum of industry players, from large internationals to small onshore operators, are all capable of successfully building businesses. What it lacks in size, Trinidad and Tobago compensates for with flexibility. Exploration and production activities are expanding into the deep offshore and there is a tremendous opportunity for gas-related businesses. Proven crude oil reserves in 2013 were 830 million barrels (mmbbls), while proven natural gas reserves in 2013 were12.4 trillion cubic feet (tcf) according to the 2014 BP Statistical Review of World Energy.

While there has been great success in monetising gas reserves, LNG and domestic supply commitments are expected to grow in the next decade and it is estimated that from around 2020, the Country will start to face a severe gas shortfall.

WHERE WE ARE TODAY AND PLANS FOR THE FUTURE

In response to falling oil prices, Trinity has focused on enhancing its liquidity position by seeking a moratorium on the principal on its senior secured credit facility, disposing of non-core assets such as Tabaquite and the WD-16 lease operatorship block, reducing its operating and general and administrative costs, obtaining an extension on the purchase consideration of the Blocks 1(a) & 1(b) licences as well as pursuing all means at our disposal with respect to the collection of outstanding VAT payments.

The Group's revenues have decreased as a result of a sharp decline in oil prices impacting the main source of revenue generation. In addition, the Group's credit facility arrangement was breached with Citibank (Trinidad & Tobago) Limited requiring repayment of USD 20.0 million in 2015, with the balance repayable following a moratorium to June 2015 should the breach continue. The Group has a working capital deficit of USD 16.7 million (2013: surplus USD 5.3 million). Management has suspended investment in appraisal and development activities and is continuing to manage its relationships with the Bank and Suppliers in an effort to handle the liquidity issue.

On 8th April 2015, in light of the receipt of a number of conditional proposals and expressions of interest in relation to certain of the Group's assets, Trinity announced that it was launching a strategic review of options open to the Group to maximise value for shareholders. These options may include, but are not limited to, a farm-out or sale of one or more of the Group's existing assets, a corporate transaction such as a merger with or sale of the Group to a third party or a subscription for the Group securities by one or more third parties.

Our operational focus remains on managing the portfolio to optimise production levels and to manage further reductions in operating costs and general administrative costs to bring all fields break-even down further. Ensuring the health and safety of all of our employees will remain our priority.

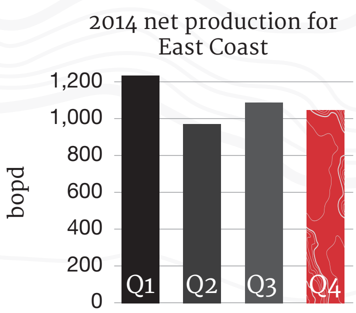
DELIVERING RETURNS TO SHAREHOLDERS

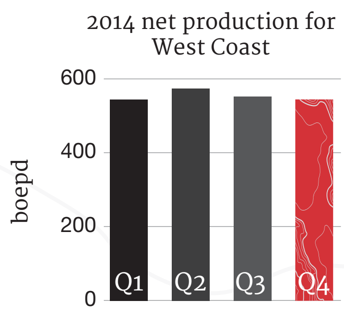
Our objective remains to deliver value to shareholders by sourcing a funding solution to monetise the assets via the strategic review and formal sales process. However, Trinity shareholders are advised that there can be no certainty that any offers will be made as a result of the formal sales process, that any sale or other transaction will be concluded, nor as to the terms on which any offer or other transaction may be made.

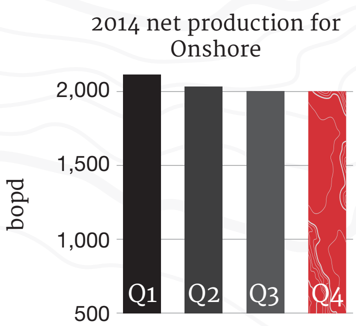
On behalf of the Board, I would like to express our thanks to our various stakeholders including some of our long standing suppliers who have stood by us during the downturn and for the continued hard work and positive attitude of Trinity's staff who continue to sustain and maximise the portfolio's true value.

Bruce A. I. Dingwall
Chairman

CHIEF EXECUTIVE OFFICER'S STATEMENT







A CHALLENGING YEAR

The difficulties faced by our industry from a sharply falling oil price during the second half of 2014 have left no company unaffected. With the resulting reductions in revenues and operating cash flows, expenditures had to be strictly prioritised, and decisive measures taken to ensure economic efficiency and sustainability. We responded quickly and brought about meaningful reductions to our cost base, from initiatives already in place, by the year end.

LOOKING FORWARD

Trinity has an asset base with the potential to deliver a step-change in production and value. In order to bring about the value realisation we have entered into a strategic review and formal sales process (FSP) following expressions of interest across our portfolio.

2015 will be a critical year to secure the future of Trinity and begin to re-build shareholder value. We aim to do this by agreeing on a funding solution that maximises the future returns potential to shareholders and that seeks to realise our longer-term strategic objectives.

The Group's intended expenditure for the development of the business and delivery of its full 2P reserve potential, exceeds the existing cash reserves and as such the Group will need to generate additional funding in the near term in order to continue the development of these operations.

OPERATING PERFORMANCE

Production performance in 2014 was solid given the backdrop, however, it was not at the level that we had targeted. So while the year started on the heels of our major TGAL-1 discovery, the dramatic decline in the price of oil and reduced production had a serious impact on our financial performance, resulting in impairment losses and reduced capital for re-investment.

Whilst the resource base on the Galeota Block is significant, we were initially challenged with operations on the Trintes field. We have now implemented the appropriate commercial, technical and operational practices to enable value optimisation from this asset. Our Onshore and West Coast assets are strong producing assets that have performed broadly in-line with expectations, and all have potential for further production upside.

2014 HIGHLIGHTS

- Average 2014 net production was 3,603 barrels of oil equivalent per day (boepd)
- Upgrade to management resource estimate on the TGAL discovery to Stock Tank Oil Initially in Place (STOIIP) of 186 mmbbls
- Entered into an agreement with Centrica to acquire 80% interests in Blocks 1(a) & 1(b), containing four undeveloped but fully appraised gas discoveries (308 billion cubic feet, 246 bcf net to 80%). The acquisition is subject to legal completion following payment of the remaining USD 20.5 million plus working capital adjustments Interest will be accrued and will become due on the date of completion
- Developed strategic partnerships with key contractors and other industry players to deliver significant cost savings, and greater negotiating power as a sector
- General and Administrative (G&A) costs reduced by USD 3.5 million for the full year 2014

HEALTH, SAFETY, SECURITY AND THE ENVIRONMENT (HSSE)

A focus on safety has and always will be at the forefront of our operations and practices. We have seen a marked improvement in our HSSE performance which has been primarily driven by the increase in proactive initiatives and various elements of employee engagement though Trinity's behaviour based safety processes.

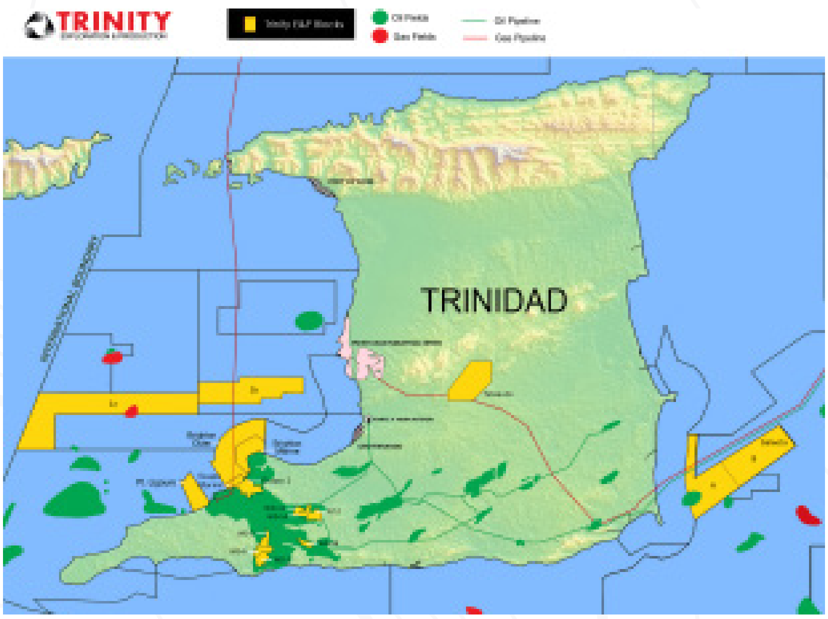
	2014	2013
Lost Time Accident (LTA)	**3**	7
The Recordable Accidents (RA)	**2**	9

In 2014, we merged our Security Department with our Health, Safety and Environment (HSE) Department, to capitalise on the synergies between the two groups. Our 2015 HSSE focus continues to be on enhancing the existing systems, with lessons communicated throughout the organisation to reinforce positive behaviour. The overall goal is to have 100% workforce engagement in HSSE at Trinity, with every employee seeing themselves as an HSSE ambassador, resulting in zero LTA's and no harm to the environment.

PRODUCTION

Trinity's portfolio in 2014 comprised of assets in key three areas of Trinidad; the West Coast, Onshore and the East Coast.

West Coast	Onshore		East Coast
PGB (Pt. Ligoure, Guapo Marine & Brighton Marine Outer)	Tabaquite (pending divestment)	WD-5 /WD-6	Galeota
Brighton Marine Inner	GU-1	WD-13	
1(a) & 1(b) (Pending approval)	FZ-2	WD-14	
	WD-2	WD-16 (pending divestment)	



East Coast Assets

Average 2014 net production from the East Coast was 1,106 barrels of oil per day (bopd). This was broadly flat against 2013 average levels of 1,114 bopd.

The Galeota Ridge structure on the East Coast contains the Trintes field, the TGAL discovery and a number of low risk prospects. Current production comes from the Alpha, Bravo and Delta platforms on the Trintes field. Ongoing steps to improve operating efficiency have been effective, but challenges remain in sustaining production at a time when capital has not been deployed towards new drilling.

Early in 2014 production was impacted by the failure of the D-9 electric submersible pump (ESP) which contributed to a loss of 230 bopd. The D-9 ESP was replaced in late June 2014 with production restored to its previous level. The B-9X infill well was successfully completed, encountering 85 feet of net oil sand in the M-sand and the original oil water contact for the fault block. During the year production from the B11XX well was successfully restored and the B6X well was brought back online after both stopped producing due to a Variable Frequency Drive (VFD) failure.

Improved well production management at Trintes has reduced the need for workovers. Moving forward, new drilling could arrest base declines with an inventory of new well locations identified. These have been integrated into a joint Trintes-TGAL development plan that aims to optimise capital allocation across our East Coast fields.

Throughout 2014 several cost saving initiatives were realised on the East Coast and included; the benefits of a fuel subsidy which took effect from September 2014, a renegotiation on vessel transfers with regards to shift systems, and changing cargo vessel transfers to a spot basis from a monthly fixed basis. Further cost saving initiatives are ongoing, including additional efficiencies on shift systems, and installing additional fuel capacity on platforms which will further reduce the number of cargo vessel transfers. These moves are working to bring optimum operating efficiency across East Coast operations and significantly reducing break-even levels.

West Coast Assets

Average 2014 net production from the West Coast was 491 barrels of oil equivalents per day (boepd). This is down from 2013 average levels of 596 boepd.

The existing West Coast assets comprises PGB (Pt. Ligoure, Guapo Marine & Brighton Marine Outer) as well as Brighton Marine Inner.

Increased workover and recompletion activity on the PGB block in H1 2014 led a rise in production volumes compared to the previous period. However, with investment being cut back in response to price falls in H2 2014, average production levels reflect natural decline. The ABM-151 well and ABM-150 well both represent recompletion (RCP) opportunities for improving production moving forward.

CHIEF EXECUTIVE OFFICER'S STATEMENT
(CONTINUED)

Significant remaining potential has been identified across the West Flank of the Brighton field with seven firm drilling locations identified and four contingent depending on the success of the initial phase. Further upside resides in the opportunity for higher recovery factors on new drilling with historic recovery rates of up to only 6% across key fault components. Exploration potential in the area has been evidenced by the Jubilee field discovery, contiguous to the Pt. Ligoure licence area, by Petrotrin in 2012. The field was stated to have preliminary estimated resources of 48 mmbbls.

Onshore Assets

Average 2014 net production from the Onshore was 2,006 bopd. This represents a modest decline from 2013 average levels of 2,088 bopd.

The Onshore assets provide a steady production base and income stream to Trinity. The focus during 2014 continued on arresting base declines and increasing production via workovers and recompletions (RCPs). Current production comes from Lease Operatorship Blocks WD-5/6, FZ-2, WD-2, GU-1, WD-13, and WD-14 and Farmout Block Tabaquite.

In 2014, production levels benefited from five new wells which were drilled and completed in H2 2013. New drilling operations were suspended during H1 2014 while discussions were ongoing with Petrotrin regarding upgrading the Lease Operatorship Model to improve efficiency, reduce operating costs and assess enhanced oil recovery opportunities and other synergies on the combined acreage.

In total, ten RCPs were conducted in 2014, in addition to the routine workovers. The PS-575 well was successfully perforated in the Upper Forest (UF) 1 and 2 sands and added initial production of c.200 bopd.

Trinity was able to successfully initiate Asset Portfolio Rationalisation with the pending divestiture of Block WD-16 and the Tabaquite Block.

BLOCKS 1(a) & 1(b)

Trinity has the potential to significantly grow our resource base with our agreement to acquire Centrica plc's 80% ownership of Blocks 1(a) & 1(b), potentially adding 40 million barrels of oil equivalents (mmboe) of 2C resources. The asset is fully appraised with six existing wells and a high quality 3D dataset having established excellent reservoir quality and proven well deliverability located in shallow (20-35m) water. Post development, a plateau production rate of 80 million cubic feet per day (mmcf/d) (64 mmcf/d or 10,700 boepd net) is estimated from development planning already undertaken. The acquisition is pending completion with the balance of payment of USD 20.5 million plus working capital adjustments with interest accruals due in Q3 2015.

TGAL DEVELOPMENT

With management resource estimate on Trinity's TGAL discovery upgraded to STOIIP of 150-210 mmbbls (best estimates 186 mmbbls), work continues apace to have the Field Development Plan issued. The existing 3D seismic dataset over the TGAL and Trintes areas has been reprocessed to improve data quality using Common Reflection Surface (CRS) technology for the first time on the East Coast of Trinidad. The results from the application of a leading edge processing technology were transformative in allowing Trinity to use the seismic to image the complex subsurface structure of the Trintes and TGAL fields.

At the end of 2014, the subsurface evaluation was approximately 90% completed, and included integration of seafloor and shallow seismic data. The topside facility concept has been narrowed down to two options, and it seems practical to adopt a phased approach to developing the field by bringing onto production the reserves nearer to the Trintes field and putting it through a Trintes facility to shore. The revenues generated would then allow for reinvestment in other facilities and pipeline.

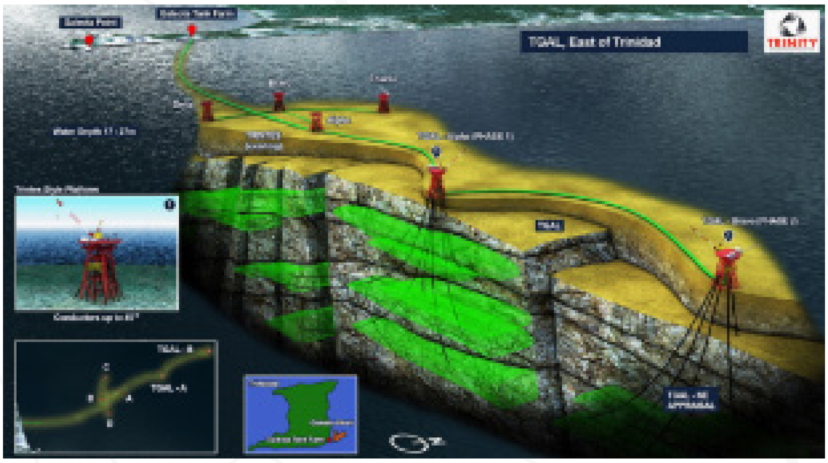
RESERVES AND RESOURCES

A comprehensive management review of all assets has recently been concluded and has estimated the current 2P reserves to be 25.3 mmstb at the end of 2014, compared to the year-end 2013 reserve estimate of 47.7 million stock tank barrels (mmstb).

The primary reduction in reserves is attributable to the Trintes field, on the East Coast, and is due to a revised view of the reservoir's potential in a lower commodity price world where capital allocation is constrained.

During 2014 significant progress has been made in preparing the FDP for the TGAL discovery and a comprehensive subsurface evaluation of the Trintes Field was subsequently completed. On this basis a total of c. 7.3 mmstb have been recategorised from 2P reserves into 2C resources at Trintes. Further development potential exists along the Galeota anticline to the NE where almost 300 mmstb of STOIIP has been mapped through the integration of 3D Seismic data and the EG-3 and EG-4 wells that define and tie the dataset to the North East. The TGAL discovery has estimated gross 2C resources of 22.1 mmstb (14.4 mmstb net to Trinity's 65.0% interest), a modest recovery factor of 12% based on a STOIIP best estimate of 186 mmstb. Therefore, notwithstanding further, identified potential in the Galeota block, estimated combined 2P and 2C resources from the Trintes-TGAL area totals over 36.0 mmstb.

The subsurface review has defined investment programmes and constituent



drilling targets to commercialise the reserves as detailed, by asset area, in the table below.

The 2P reserve estimate is based on a fully funded programme under the assumption that management will secure the funding required to deliver this programme.

Management Estimates: 2P Reserves

ASSETS		31-Dec-13 mmstb	Prod'n mmstb	Revisions mmstb	31-Dec-14 mmstb
East Coast	Oil	36.3	(0.4)	(21.3)	14.6
Onshore	Oil	6.8	(0.7)	0.7	6.8
West Coast	Oil	4.6	(0.2)	(0.5)	3.9
TOTAL		**47.7**	(1.3)	**(21.1)**	**25.3**

COLLABORATION AND PARTNERSHIPS

As an independent operator, collaboration and strategic partnerships are important for our success. The diversity of industry players along the hydrocarbon value chain in Trinidad and Tobago has allowed us to start developing opportunities for successful business relationships. Trinity strategically partnered with Schlumberger Limited on the Schlumberger-Trinity Run-life Improvement Project ("STRIP"), which shares the development risks and has significantly reduced our downtime on wells due to well specific issues. It involves the introduction of new artificial lift options and a remote surveillance system that was combined with equipment rentals as opposed to the traditional up-front purchase agreement.

In 2014, we focused our attention on the East Coast, where Trinity was able to reduce operating costs by sharing our spare resource capacities with other operators. We were able to partner with two other operators and our service providers, and share the cost for our cargo vessels and crew change Turbine Transfers catamarans. This delivered significant saving for Trinity and the other operators involved. In turn it prompted Trinity to create the East Coast Logistics forum, where operators are now able to discuss industry issues as a group, develop solutions together, and create a united front for addressing these issues with the Government and state enterprises.

THE WAY FORWARD

Trinity will continue to work with our long standing suppliers who have stood by us during the downturn and towards maximising returns though our strategic business decisions and partnerships in 2015. We continue to reduce our G&A and operating costs and simultaneously, we have begun to divest non-core assets at a fair price, and are aggressively conserving cash.

Our core producing asset base continues to yield solid production levels with declines being modest against a backdrop of reduced investment. This is a testimony to the quality of those assets and to the hard work and abilities of the Trinity team. Across the Onshore, West Coast and the East Coast we have an inventory of drilling locations that could enhance production levels on the deployment of capital. Our review of the TGAL discovery has yielded positive results, with resource estimates significantly greater than expected and a joint Trintes-TGAL development targeting a significant resource base.

The quality of these assets, and the resilience of the organisation in coping with a radically reduced budget, provide a basis for confidence and allows us to continue to explore all financing options to take Trinity forward.

Joel M. C. Pemberton
Chief Executive Officer
Trinity Exploration & Production Plc

IT'S NOT JUST ABOUT OIL
PARTNERSHIPS FOR SUSTAINABILITY

Our mission is to help change the world, one person, one virtue at a time.

At Trinity, we continue to utilise our time, talent and treasure to touch the lives of those who have the potential to change their families, their communities and ultimately, our world for the better. We believe that investing in the development of our people and the communities in which we operate enhances the resources available to us, the industry and our Country. This is why Trinity partnered with the Heroes Foundation of Trinidad and Tobago to develop the Country's first corporate mentorship programme in line with Big Brother Big Sisters International.

Over the last year, our staff or Bigs, have been journeying with 16 teenaged students or Littles, who come from very diverse backgrounds, and are given opportunities to dream beyond their present circumstances. Our Big Brother Big Sister programme has inspired them to believe in the goodness of their lives, find the power of their potential, and understand that there is still goodness in the world that they will inherit. On 29th December 2014, Big Brothers Big Sisters Trinidad and Tobago joined thirteen countries as an Affiliate of Big Brothers Big Sisters International, a commendation of their commitment to excellence and service to the development of children and youth in Trinidad and Tobago.

WHY IS BBBSTT IMPORTANT TO TRINIDAD AND TOBAGO?

"We live in a country like many others, where some of our youth are not adequately able to experience the presence of adults in their lives who are genuinely looking out for their best interests. This is why our Country, more than ever, needs heroes. Heroes like those selfless adults who volunteer for the BBBS mentorship programme, and who have one declared motive of wanting to make a positive difference in the lives of our youth.

The wonderful reality of this programme is that it has been proven to work worldwide over the past 110 years, and now even locally, as Big Brothers and Sisters has been present in formation status through the Heroes Foundation since 2006. The local programme was recently granted full BBBS International affiliate status and there is an even greater opportunity to now do something truly remarkable.

I firmly believe that in a Country of our size and our nature, there are sufficient adults who want to make a positive difference if given the right opportunity, which will match the number of youth who need that type of influence in their lives. I believe there is a future where every at risk or in need youth in Trinidad and Tobago is matched with an adult who is there for them, in a way that is essential to their being on the right path. I believe that there is the opportunity to recreate our villages of support for our youth, through a network of humble Heroes-who are known as the Big Brothers and Big Sisters of Trinidad and Tobago."

Philip Julien, Chairman and Founder, The Heroes Foundation of Trinidad and Tobago, and Location Director - Caribbean Operations at WorleyParsons.

"The ability to be part of an adolescent's life and by extension, his development, was one met with apprehension and fear. However, after being matched with my Little, I quickly realised that I would impact him positively and vice versa."

Daren Sookoo, Big.

"The highlights for me are my social skills, I am able to talk to people and understand them better. I can now stand in front of a crowd and speak. My self-esteem has improved greatly. This has changed my life a lot."

Elizabeth Ramnarine, Little.







HEROES
FOUNDATION

BOARD OF DIRECTORS

BRUCE A. I. DINGWALL

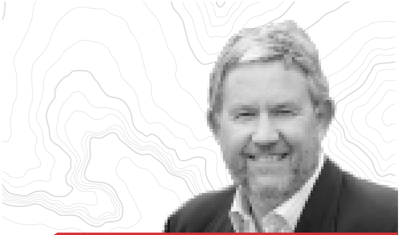
Non-Executive Chairman

Bruce is a Geologist with over thirty years' experience in the oil and gas industry, and is recognised locally and internationally for his business acumen and extensive industry knowledge. Bruce founded Trinity in 2005 and has had experience with Exxon, Lasmo and Venture Production (founder and CEO), which was sold to Centrica for £1.3 billion.

JOEL M. C. PEMBERTON

Chief Executive Officer & Executive Director

Monty began his career at Trinity in 2005, becoming CEO in 2009. Since then, Trinity has grown into the leading Independent oil and gas company in Trinidad and Tobago, and became the first Trinidad and Tobago company to list on the London Stock Exchange (AIM). Monty is a Chartered Accountant by background, and has been focused on energy and the global energy industry for over thirteen years.



DAVID MACFARLANE

Independent Non-Executive Director

David is the Chairman of Trinity's Audit Committee and a member of Trinity's Remuneration Committee. He is an economics graduate and Chartered Accountant with more than 30 years' experience in financial control and management in the upstream oil and gas industry.

JONATHAN MURPHY

Non-Executive Director

Jon is a Geologist with over 30 years' experience in mid-cap exploration and production companies, and is also Chairman of Northern Petroleum plc, an AIM listed oil and gas production and exploration company. He is Chairman of Trinity's Remuneration Committee, and a member of the Audit Committee.

FINAN O'SULLIVAN

Non-Executive Director

Finian is a Geologist who has pursued an international career in the oil industry with Chevron, Geophysical Systems, Olympic Oil and Gas, and Burren Energy, which he founded in 1994. Finian joined Bayfield Energy Holdings as Chairman in 2008, and remains as a Non-Executive Director on Trinity's Board of Directors.

CHARLES ANTHONY BRASH

Non-Executive Director

Anthony has been involved in the oil and gas industry for over 25 years and is Managing Director of Well Services Holdings Limited, the owner of a large drilling rig fleet in Trinidad. Anthony holds a BA in Management and a MBA in General Business from St. Edward's University in Austin, Texas and joined Trinity's Board in 2013.

RONALD HARFORD

Independent Non-Executive Director

Ronald joined Trinity's Board in 2013 and is a member of both the Remuneration and Audit Committees. Ronald has over 45 years of service in the banking industry, and is Chairman of Republic Bank Limited (formerly Barclays), the Caribbean's leading indigenous financial institution.

EXECUTIVE MANAGEMENT TEAM

JOEL M. C. PEMBERTON

Chief Executive Officer & Executive Director

Monty understands the value of building a sustainable business which ensures the needs of all stakeholders are met. His leadership style is underpinned by an appreciation for sound internal control, effective governance and an ability to manage and harness the power of diversity. Monty has used his experience in accounting, financing and global energy to lead Trinity through a merger, negotiations and several acquisitions.

BRYAN RAMSUMAIR

Chief Financial Officer

Bryan's ability to develop unique financing structures and solutions is supported by his robust and competent track record in the finance industry. He consistently delivers on strategic goals and is guided by his understanding of sound internal controls, innovation and collaboration. Bryan's experience in corporate finance, equity and investment banking equipped him with the tools necessary to continue sourcing financing for Trinity's projects.

CRAIG MCCALLUM

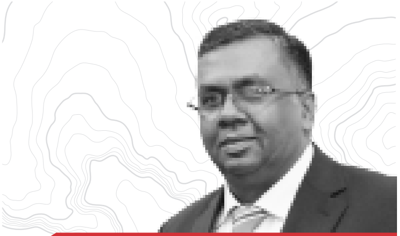
Chief Operating Officer

Craig's strategic thinking comes from the diversity of experiences that have contributed to his extensive industry knowledge. He is able to successfully unite multidisciplinary teams, with an emphasis on respect, knowledge sharing and clear communication. Craig's twenty-three years' experience in the international oil and gas industry has contributed to his collaborative leadership on the way forward for the development of Blocks 1(a) & 1(b).

RICHARD RAMIREZ

Executive Manager, HSSE

Richard's firm adherence to internal controls and his ability to successfully manage diversity drives his aptitude for developing HSSE management systems that positively influence corporate cultures. He empowers multidiscipline and multicultural teams with an understanding of the knowledge and tools that come from over fifteen years' experience in senior leadership roles within the international oil and gas, power generation and construction industries.



SOOKDEO HEERALAL

Executive Manager, Commercial

Sookdeo's track record is one of delivery and performance with proven competence in working with multi-disciplinary and multi-cultural teams to maximise value from existing assets, while identifying portfolio opportunities. He has wide cross-sectional experience in the oil and gas industry, developed over thirty-five years.

CORPORATE GOVERNANCE STATEMENT

Trinity Exploration & Production Plc (the Company) is quoted on the Alternative Investment Market (AIM) of the London Stock Exchange and is not required to comply with the requirements of The 2012 UK Corporate Governance Code (the Code). However, the Board is committed to the high standards of good corporate governance prescribed by the Code and seeks to apply its principles having regard to the current size and structure of the Group.

AUDITORS

At the Annual General Meeting of the Company held in June 2014 the shareholders approved of the appointment of PricewaterhouseCoopers LLP as the auditors for the consecutive financial year 2014.

THE REMUNERATION COMMITTEE

The Remuneration Committee comprises of Jonathan Murphy (Chairman), David MacFarlane and Ronald Harford. The Committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Company's Chairman, executive directors and other members of the executive management. It is responsible for the design of all share incentive plans and the determination each year of individual awards to executive directors and other senior executives and the performance targets to be used. The remuneration of the non-executive directors is agreed by the Chairman and executive directors. No director may participate in any meeting at which discussion or any decision regarding his own remuneration takes place.

THE AUDIT COMMITTEE

The Audit Committee comprises of David MacFarlane (Chairman), Ronald Harford and Jonathan Murphy. The Committee will generally be meeting three times a year. Its main functions include monitoring the integrity of the Company's financial statements, reviewing the effectiveness of the Company's internal controls and risk management systems. The Committee makes recommendations to the Board in relation to the appointment of the Company's auditor, overseeing the approval of their remuneration and terms of engagement and assessing annually their independence, objectivity and effectiveness.

The Company's auditor provides additional professional services including tax advisory. The Audit Committee assesses the objectivity and independence of the Company's auditor.

RELATIONSHIP WITH SHAREHOLDERS

The Board remains fully committed to maintaining communication with its shareholders. There is regular dialogue with major institutional shareholders and meetings following significant announcements. The Company's website (www.trinityexploration.com) contains all announcements, press releases, major corporate presentations and interim and year end results. The Board will use its Annual General Meeting to communicate with both private and institutional investors.

THE SHARE DEALING CODE

The Company has adopted a code on dealings in securities which the Board regards as appropriate for an AIM listed company. The Company takes all reasonable steps to ensure compliance by the directors, employees and agents with the provisions of the AIM rules relating to dealings in securities.

On behalf of the board

Bruce A. I. Dingwall
Chairman
27th May 2015

DIRECTORS' REPORT

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report for the year ended 31st December 2014.

PRINCIPAL ACTIVITIES

Trinity is a full cycle independent exploration and production oil and gas company with assets primarily in Trinidad. The principal activities of the Group are the exploration, development, production and sale of crude oil and natural gas.

Trinity's core focus is Trinidad where the company operates assets onshore and offshore on both the West and East coasts. Trinity's portfolio includes current production, significant near-term production growth opportunities from low risk developments, multiple exploration prospects with the potential to deliver meaningful production and reserves growth and significant projects, 1(a)&1(b), which will deliver first gas in 2018 resulting in a shift change in Trinity's production portfolio.

STRATEGIC REPORT

The Company is required by the Companies Act 2006 to include a strategic report in its Annual Report. The information that fulfils the requirements can be found in the Chairman's and CEO's statement from pages 2 to 7.

PRINCIPAL BUSINESS RISKS

As a participant in the upstream oil and gas industry, the Group encounters and has to manage several business risks of varying degrees. Such risks include:

- operational risk;
- reservoir and reserves risk;
- oil price risk;
- HSSE;
- competitive environment;
- changes to (and challenges by environmental and other interest groups to) the regulatory environment;
- changes to the taxation system;
- failure by contractors to carry out their duties;
- retention of key business relationships;
- ability to exploit successful discoveries;
- cost overruns or significant delays in the commercialisation of fields; and
- ongoing access to sources of funding.

These risks are considered typical for an upstream oil and gas exploration and production group of the Company's size and stage of development and the directors continue to monitor these specific risks faced by the Group.

Trinity has assembled a highly experienced team combining strong technical expertise with financial and transactional knowledge of the oil and gas sector. Trinity's strategy to managing these risks includes building and maintaining a portfolio of assets; focusing on delivering production and maintaining financial and operational flexibility.

DIVIDEND POLICY

The directors do not recommend the payment of a dividend.

CAPITAL STRUCTURE

The Company has an issued share capital of 94,799,986 ordinary shares of USD 1.00 each.

Each share carries the right to one vote at general meetings of the Company. The percentage of the issued nominal value of the ordinary shares is 100% of the total issued nominal value of all share capital.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the articles of association and prevailing legislation. The directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

Details of employee share schemes are set out in Note 28. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. With regard to the appointment and replacement of directors, the Company is governed by its articles of association, the Companies Act 2006 and related legislation. The articles themselves may be amended by special resolution of the shareholders. The powers of directors are described in the main board terms of reference, copies of which are available on request and the corporate governance statement on page 12.

DIRECTORS

The directors who served during the period and at the date of this report were as follows:

- Finian O' Sullivan – Non-Executive Director (previously Executive Chairman) (appointed 21st February 2011)
- David MacFarlane – Non-Executive Director (appointed 8th July 2011)
- Bruce Alan Ian Dingwall – Non-Executive Chairman effective 8th April 2015 (previously Executive Chairman appointed 14th February 2013)
- Joel Montgomery Christopher Pemberton – Chief Executive Officer (appointed 14th February 2013)
- Jonathan Murphy – Non-Executive Director (appointed 14th February 2013)
- Charles Anthony Brash – Non-Executive Director (appointed 14th February 2013)
- Ronald Harford – Non-Executive Director (appointed 14th February 2013)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

The directors who held office at 31st December 2014 had the following interests in the ordinary shares of USD 1.00 each in the capital of the Company:

	No. of Consolidated Ordinary Shares 2014	No. of Consolidated Ordinary Shares 2013
Charles Anthony Brash	**5,593,018**	5,593,018
David MacFarlane	**–**	–
Bruce A. I. Dingwall CBE	**5,815,498**	5,815,498
Finian O'Sullivan	**3,626,166**	3,626,166
Joel M. C. Pemberton	**525,960**	525,960
Jonathan Murphy	**4,977,421**	4,977,421
Ronald Harford	**–**	–

DIRECTORS' SHARE OPTIONS/LTIP

Details of directors' share options/LTIPs are provided in the directors' remuneration report on pages 19 to 24.

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

POLITICAL CONTRIBUTIONS

The Group has made no political contribution to any source during both the current and preceding years.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

Trinity has continued over the past year to challenge itself to be best in class for HSSE performance. Being recognised as the leading independent player in the Trinidad and Tobago marketplace is not sufficient for the organisation. The Trinity team pushes the boundaries of HSSE excellence daily as we strive to be acknowledged not only on the local market, but as an operator that meets and exceeds international standards and best practices.

This aspiration has resulted in us achieving every HSSE target that we have set for 2014. The levels of HSSE proactivity recorded by Trinity's management team in 2014 have been unprecedented, and have served as motivation to the operations teams in the field. This is evidenced by steep increases in involvement in the company's "Behaviour Based Safety Observation" program, as well as precipitous declines in accident frequency rates.

During 2014, Trinity has also made advances in our incident investigation processes to foster transparency in our reporting, as well as sharing of lessons learned.

We believe that we are on the road to HSSE excellence. The culture of the organisation is constantly evolving and gaining strength.

SUBSTANTIAL SHAREHOLDINGS

Those shareholders holding over 3% of the voting rights as at 31st December 2014 were as follows:

	Shareholder	% of Issued Share capital	No of Shares
1.	Legal & General Investment Management	14.83	14,060,411
2.	Bruce A.I. Dingwall, CBE	6.13	5,815,498
3.	Charles Anthony Brash Junior	5.90	5,593,018
4.	Jonathan Murphy	5.25	4,977,421
5.	David & Christina Segal Living Trust Trustees	5.20	4,925,883
6.	Threadneedle Asset Management	5.15	4,884,500
7.	Miton Group plc	4.44	4,211,657
8.	Andrey Pannikov	4.17	3,955,835
9.	Regent Pacific Group	4.12	3,909,850
10.	Finian O'Sullivan	3.83	3,626,166
11.	Investec Wealth & Investment	3.16	2,998,513

INDEPENDENT AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that;

> so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

> the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. PricewaterhouseCoopers LLP have expressed their willingness to continue in office.

By order of the Board

Amanda Bateman

Amanda Bateman
Company Secretary
27th May 2015

FINANCIAL REVIEW

2014 RESULTS OVERVIEW

In 2014 Trinity generated USD 12.2 million operating profit and USD 141.2 million loss after tax due to exceptional items (principally asset impairment and exploration costs written off), finance costs, currency translation and taxation of USD 135.9 million, USD 5.1 million, USD 0.2 million and USD 12.7 million respectively. The following summarises the 2014 financial results:

FINANCIAL RESULTS SUMMARY

	2014	2013	Δ
Net production			
Production (boepd)	**3,603**	3,798	(195)
YTD production (mmbbls)	**1.3**	1.4	(0.1)
Average realised oil price (USD/ bbl)	**85.8**	91.6	(5.8)

Statement of Comprehensive Income	**USD MM**	USD MM	USD MM
Revenues	**113.5**	123.8	(10.3)
Operating expenses	**101.3**	102.2	(0.9)
EBITDA	**28.5**	34.8	(6.3)
Operating profit before exceptional items	**12.2**	21.6	(9.4)
Exceptional items (includes asset impairment & exploration costs written off)	**(135.9)**	28.8	(164.7)
Operating profit/ (loss) after exceptional items	**(123.7)**	50.4	(174.1)
(Loss)/Profit before income tax	**(128.7)**	48.0	(176.7)
Currency translation	**0.2**	0.3	(0.1)
(Loss)/Profit for the year	**(141.2)**	38.8	(180.0)

Statement of Cash Flows	**USD MM**	USD MM	USD MM
Cash inflow from operating activities	**11.8**	17.0	(5.2)
Net cash outflow from investing activities	**16.9**	85.6	(68.7)
Net cash inflow from financing activities	**13.0**	71.1	(58.1)
Closing cash balance	**33.1**	25.1	8.0

PRODUCTION VOLUMES AND OIL PRICES

> Production for 2014 was 1.3 mmbbls (2013: 1.4 mmbbls)

> Realised oil price for 2014 averaged USD 85.8/ bbl (2013: 91.6/ bbl)

STATEMENT OF COMPREHENSIVE INCOME

> Revenues were USD 113.5 million (2013: USD 123.8 million)

> Operating expenses were USD 101.3 million (2013: USD 102.2 million)

> EBITDA was USD 28.5 million (2013: USD 34.8 million)

> Operating profit before exceptional items was USD 12.2 million (2013: USD 21.6 million).

> Exceptional items (includes asset impairment & exploration costs written off) amounted to USD (135.9) million (2013: USD 28.8 million)

> Loss before tax was USD 128.7 million (2013: profit USD 48.0 million)

> Loss after tax was USD 141.2 million (2013: profit USD 38.8 million)

STATEMENT OF CASH FLOWS

> Cash inflow from operating activities: The Group generated USD 11.8 million (2013: USD 17.0 million) from its operations

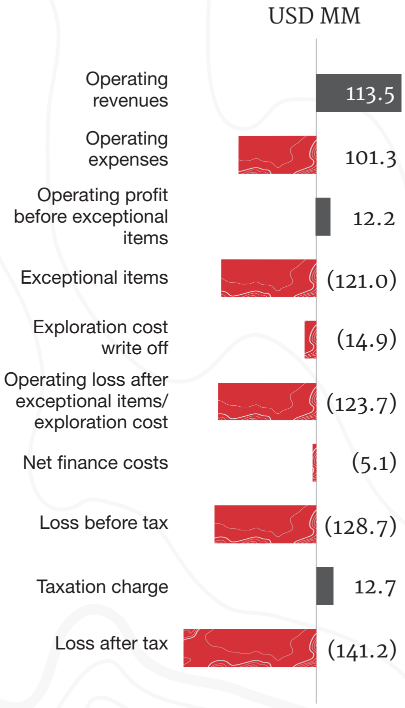
> Cash outflow from investing activities: USD 16.9 million (2013: USD 85.6 million) spent across all assets, including; development wells, facilities upgrades and field development plans

> Cash inflow from financing activities: Net cash inflow from financing activities was USD 13.0 million (2013: USD 71.1 million), made up of:

>> Net equity raise proceeds of USD 0.0 million (2013: USD 84.9 million)

>> Debt proceeds/ repayment and financing costs of USD 13.0 million (2013: USD 13.8 million)

STATEMENT OF COMPREHENSIVE INCOME ANALYSIS



REVENUES

2014 revenues were USD 113.5 million (2013: USD 123.8 million). This decrease is mainly attributable to the combination of (i) lower production across all assets and (ii) the decline in average realised oil price of USD 85.8/bbl (2013: USD 91.6/bbl)

OPERATING EXPENSES

> Operating expenses were USD 101.3 million (2013: USD 102.2 million) which are made up as follows:

> Royalties of USD 37.0 million (2013: USD 37.3 million)

> Production costs of USD 32.9 million (2013: USD 33.1 million)

> Depreciation, depletion and amortisation amounted to USD 16.3 million (2013: USD 13.2 million)

> General and administrative expense of USD 15.0 million (2013: USD 18.5 million)

Exceptional items (includes asset impairment and exploration costs written off)

Exceptional items (includes asset impairment and exploration costs written off) amounted to USD (135.9) million (2013: USD 28.8 million) comprising mainly of the following:

> Impairment loss of USD 96.2 million of property, plant and equipment assets was recognised on the carrying values of oil and gas assets due to lower forward oil prices which is further discussed in note 3. (g) to the Consolidated Financial Statements – Impairment of Property, Plant & Equipment for further details)

> Impairment of the exploration well EG-8 c. USD 22.6 million on the basis that sufficient data exist to indicate that the book value will not be recovered due to the absence of commercial reserves. The Pletmos exploration costs of c. USD 0.9 million in South Africa has been impaired as there is no further exploration and evaluation planned or budgeted and management is in the process of relinquishing the license

> Exceptional items of USD 1.2 million represent a provision for a potential claim against a subsidiary of the Group by a supplier of services in the oil and gas industry. See Note. 16 Potential Claim

> Exploration costs written off of the El Dorado 1 well of USD 14.9 million

See Note. 29 to Consolidated Financial Statements – Exceptional items for further details.

The Group's operating loss after exceptional items was USD 123.7 million (2013: USD 50.4 million profit).

NET FINANCE COSTS

In 2014 finance costs amounted to USD 5.1 million (2013: USD 2.4 million), which is made up of the unwinding of the decommissioning liability USD 1.5 million (2013: USD 1.2 million) and interest on the fully drawn (USD 20.0 million & USD 25.0 million) Citibank loans of USD 3.6 million (2013: USD 1.2 million).

TAXATION CHARGE

The tax charge for 2014 was USD 12.7 million (2013: USD 9.5 million), and its components are described below.

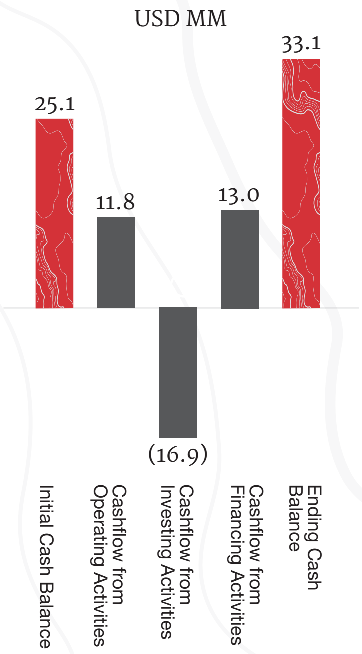
Supplemental Petroleum Tax (SPT): All SPT due for 2013 was paid as it fell due. The SPT charge for 2014 amounted to USD 14.9 million which is still payable (2013: USD 10.4 million).

Petroleum Profits Tax (PPT): The PPT charge for the year was USD 1.1 million (2013: USD 5.8 million), mainly incurred by Oilbelt Services Limited and Lennox Petroleum Services Limited.

Corporation tax (CT): The CT for the year amounted to USD 2.2 million (2013: USD 0.9 million)

Deferred tax (DT): The DT for the year amounted to a net credit of USD 5.5 million (2013: USD 7.7 million).

CONSOLIDATED STATEMENT OF CASH FLOWS ANALYSIS



FINANCIAL REVIEW
(CONTINUED)

The Group's intended expenditure for the development of the business and delivery of its full 2P reserve potential, exceeds the existing cash reserves and as such the Group will need to generate additional funding in the near term in order to continue the development of these operations.

CASH INFLOW FROM OPERATING ACTIVITIES

Cash inflow from operating activities was USD 11.8 million (2013: USD 17.0 million), being the net effect of:

- Adjusted profit inflow of USD 28.5 million (2013: 32.0 million)
- Changes in working capital outflow of USD 12.8 million (2013: inflow of USD 10.5 million)
- VAT refunds due at year-end totalled USD 11.6 million with USD 10.3 million VAT due from the T&T tax authority while USD 1.3 million in the UK. Notably, VAT refunds of USD 18.3 million were received in 2014
- Taxation paid of USD 3.8 million (2013: USD 25.4 million)

CASH OUTFLOW FROM INVESTING ACTIVITIES

Cash outflow from investing activities was USD 16.9 million (2013: USD 85.6 million), and is made up of capital expenditure and cash acquired in acquisition.

Capital expenditure during 2014 totalled USD 16.9 million (2013: USD 92.1 million) with spend occurring across all of the Group's assets:

- Exploration and evaluation assets: The majority of expenditure of USD 5.0 million in 2014 relates to drilling of the El Dorado 1 exploration well which straddled December 2013 into February 2014. This well was plugged and abandoned as a dry hole and the exploration costs of USD 14.9 million was written off
- Property plant and equipment: expenditure on property, plant and equipment for the year was USD 11.9 million (2013: USD 56.7 million). This included:
- Wells drilled: USD 8.7 million was spent to drill 2 wells, which included 1 onshore well and 1 east coast, both of which were unsuccessful and had unrealised production
- Infrastructure upgrades: USD 3.2 million was spent on a number of projects, across the onshore, west coast and east coast assets, which were required to sustain current production and create capacity for future production growth

CASH INFLOW FROM FINANCING ACTIVITIES

Cash inflow from financing activities was USD 13.0 million (2013: USD 71.1 million), being the net effect of the full drawdown of the Citibank USD 25.0 million facility

Debt repayment and finance costs:

- Repayment of borrowings of USD 8.0 million (2013: USD 6.2 million) includes principal repayments of both Citibank loans
- Payment of loan finance costs of USD 4.0 million (2013: USD 1.2 million)

See Note. 15 to Consolidated Financial Statements- Borrowings for further details.

ACCOUNTING POLICIES

AIM listed companies are required to comply with the European regulation to report consolidated statements that conform to International Financial Reporting Standards (IFRS). The Group's significant accounting policies and details of the significant accounting judgements and critical accounting estimates are disclosed within the notes to the financial statements. The Group has not made any changes to its accounting policies in the year ended 31st December 2014.

EVENTS SINCE YEAR-END

On 23rd January, 2015 Trinity made a non-refundable deposit of USD 2.5 million for Centrica's Blocks 1(a) & 1(b). The balance remaining USD 20.5 million with interest accrued effective from 23rd February, 2015. The completion date agreed for the transaction is the end of July and Trinity can specify an earlier date on not less than 2 days' notice. Centrica will be obliged to pay further significant sums under the PSCs in early July which Trinity has to pay in the event that completion takes place after 5th July. These payments are to be deducted from the consideration on completion occurring. The payments are in respect to the net PSC Financial Obligations (Article 21 of the Blocks 1(a) & 1(b) PSCs - due by 10th July 2015) and the net Annual Holding Fees for the contract year ending 2014 / 2015.

On 6th February 2015 Trinity repaid USD 20.0 million of the Citibank (Trinidad & Tobago) loan following breach of the financial covenants, further details can be found within note 15 of the financial statements and obtained a repayment moratorium on the USD 13.0 million balance until 15th June, 2015.

On 10th March 2015 Trinity sold casing and tubing to Rigtech Services Limited, Blanket Security Limited and Well Services Petroleum Company Limited (Purchasers) for USD 3.5 million. The sale of casing and tubing to the Purchasers constitute a related party transaction under the AIM Rules as Anthony Brash, a Director of those entities, is also a Board member and shareholder of Trinity. The proceeds of the transaction will be used to reduce amounts owing to Purchasers in relation to services provided by the Purchasers to the Company. The fall in the casing and tubing market internationally resulted in a loss on sale of USD 1.3 million.

On 8th April, 2015 the Trinity announced it has decided to conduct a review of its options which may include, but are not limited to, a farm-out or sale of one or more of its existing assets, a corporate transaction such as a merger with or sale of the Company to a third party or a subscription for the Company's securities by one or more third parties.

The Company is subject to The City Code on Takeovers and Mergers (the "Code") and has opted to conduct discussions with parties interested in making a proposal to the Company under the framework of a "Formal Sale Process" as set out in the Code in order to enable discussions relating to a merger or sale of the Company, in particular, to take place on a confidential basis

DIRECTORS' REMUNERATION REPORT

ANNUAL STATEMENT BY THE COMMITTEE CHAIRMAN

Dear Shareholder,

On behalf of the Board, I am pleased to introduce the Directors' Remuneration Report for the year ended 31st December 2014. This report has been prepared by the Remuneration Committee (the "Committee") and approved by the Board.

BACKGROUND TO THIS REPORT

The Committee is supportive of the UK Department for Business, Innovation & Skills' drive to improve the transparency and clarity in the reporting of Directors' remuneration. The two sections of this report cover the following matters:

> The Company's intended Executive Remuneration Policy for 2015 and beyond (the Directors' Remuneration Policy Report);

> How the Policy has been implemented in the year ended 31st December 2014 (the Annual Remuneration Report).We hope that you find our report comprehensive, clear and informative.

PERFORMANCE OF THE COMPANY IN 2014

Despite volatility in the commodity market and unforeseen operational challenges, as the leading Trinidad focused independent exploration and production Company, Trinity strategically capitalised on significant opportunities that position the Company for future growth and rewards. Key highlights include:

> Agreement to acquire fully apprised but undeveloped Blocks 1(a) & 1(b) assets that will provide a step change in Trinity's resource base.

> Upgrade to resource estimate on the TGAL discovery to STOIIP of 150-210 mmbbls.

> Appointment of new Chief Operating Officer, Craig McCallum, and Executive Manager, HSSE, Richard Ramirez.

> Disposal of non-core assets in the Tabaquite block for USD 2.0 million.

KEY PAY OUTCOMES

> Effective 8th April 2015 the non-executives elected to suspend all fees relating to their roles. Bruce A. I. Dingwall's annual salary for 2015 will be reduced to USD 164,000

> At the end of the financial year, performance was carefully reviewed by the Committee against a performance scorecard comprising of finance and business development, operations, health and safety and organisation performance measures. Based on the scorecard assessment, a review of the Company's underlying financial performance and current market conditions the Committee determined that there would be no bonus payments for 2014 performance. The structure and operation of the bonus will remain similar for 2015.

> The Executive Directors and Senior Executives will continue to be focused on the long-term success of the Company in 2015, through provision of the LTIP which was implemented in 2013. The purpose of this arrangement is to ensure that Executive Director interests are aligned with those of shareholders and drive superior long-term performance. No awards vested under the Company's long-term incentive plans during 2014.

We are committed to maintaining an open and transparent dialogue with shareholders. The objective of this report is to communicate clearly how much our Executive Directors are earning and how this is strongly linked to performance.

J.D. Murphy

Jonathan Murphy
Remuneration Committee Chairman
27th May 2015

DIRECTORS' REMUNERATION POLICY REPORT

The Committee has established the policy on the remuneration of the Executive Directors and the Board has established a policy on the remuneration of the Non-Executive Directors.

REMUNERATION POLICY TABLE

Executive Directors

The Company's remuneration strategy aims to provide a competitive remuneration package which rewards Executive Directors and other employees fairly and responsibly for their contributions. Effective 8th April 2015 Bruce A. I. Dingwall (formerly Executive Chairman) assumed the role of Non-Executive Chairman.

The main components of the remuneration policy for the year ending 31st December 2014 and the forthcoming year ending 31st December 2015, and how they are linked to and support the Company's business strategy, are summarised below:

Objective and link to the strategy	Operation	Maximum potential value	Performance assessment
Base salary			
Reflects level of responsibility and achievement of the individual.	Salaries are reviewed annually, and any changes are effective from 1st January each year. When determining salaries for the Executive Directors the Committee takes into consideration: > Market data; > Local employment conditions; > Levels of increases applicable to other employees in the Group. Salaries are benchmarked periodically against comparable roles at companies of a similar size, complexity and which operate in the Exploration & Production sector.	For the year ending 31st December 2014 the salaries for the Executive Directors were: > Bruce A. I. Dingwall: USD 315,000 > Joel M. C. Pemberton: USD 367,500 Bruce A. I. Dingwall's salary will be reduced to USD 164,000 Any salary increases in future years will be determined on a discretionary basis by the Committee	Not applicable.
Annual bonus			
The annual bonus aligns reward to key Group strategic objectives and drives short term performance.	Executive Directors participate in an annual performance related bonus scheme. The performance period is one financial year. 50% of the bonuses paid will be deferred into shares for three years on a mandatory basis. Executive Directors can elect to defer up to 100% of any bonus paid into shares for three years.	Maximum: 100% of base salary. This can be exceeded in exceptional circumstances at the discretion of the Committee. There is no contractual obligation to pay bonuses.	A performance scorecard will be used as a guide for the Committee, which reserves the right to override the formulaic outturn based on a broader assessment of overall Company performance. The measures will be determined by the Committee at the start of each financial year. No bonuses were approved for 2014.

Objective and link to the strategy	Operation	Maximum potential value	Performance assessment
Long-term incentives			
The Long-Term Incentive Plan ("LTIP") aligns Executive Director interests with those of shareholders and drives superior long-term performance.	Under the LTIP, Executive Directors and other members of the senior management team are provided with whole share awards. The first award ("Tranche 1") was granted in July 2013. Participants may be granted further awards, of a similar size as those awarded under Tranche 1, in 2014 ("Tranche 2") and 2015 ("Tranche 3"), provided that the Company's underlying financial and non-financial performance is satisfactory. Tranches 1, 2 and 3 will vest on 1st January 2017. If the Company is in a closed period the shares will be issued at the earliest opportunity thereafter, subject to the achievement of stretching performance conditions that will be tested in 2016 following the announcement of the Company's audited financial results for the 2015 financial year.	A maximum of 0.25% of the Company's issued share capital can be granted to an Executive Director under any single tranche. Awards under the LTIP are not contractual.	The award will be tested against a matrix of stretching reserves growth and absolute share price growth targets. No awards vested in 2014.
Pension			
To provide competitive levels of retirement benefit.	Salary supplement in lieu of pension contributions for both Executive Directors.	10% of base salary.	Not applicable.
Other benefits			
To provide competitive levels of employment benefits.	Reviewed periodically to ensure benefits remain market competitive. > Benefits for the CEO include: Vehicle Allowance (effective 1st Feb 2015); Group Medical. > Housing allowance (effective 1st January 2015 for 6 months) No benefits were paid to the Executive Chairman during 2014.	Benefit values vary year on year depending on premiums and the maximum potential value is the cost of the provision of these benefits.	Not applicable.
Shareholding policy			
To ensure that Executive Directors' interests are aligned with those of shareholders over a longer time horizon.	Requirement to build and maintain a holding of shares equivalent in value to a minimum of two times their salary within a five year period.	Not applicable.	Not applicable.

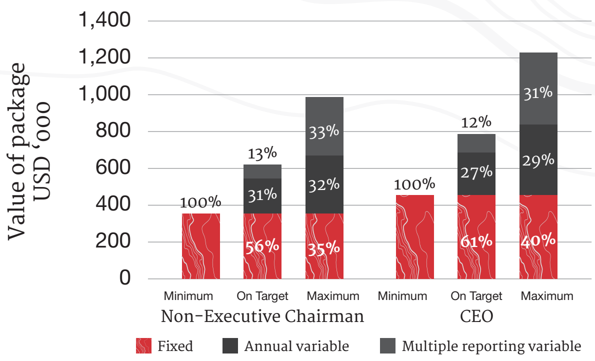
DIRECTORS' REMUNERATION POLICY REPORT (CONTINUED)

Non-Executive Directors

Objective	Operation	Maximum potential value	Performance assessment
To attract Non-Executive Directors with the requisite skills and experience.	Fee levels are set at the level paid for comparable roles at companies of a similar size, complexity and which operate in the Exploration & Production sector. Fee levels are reviewed annually.	Fees for Non-Executive Directors for 2015 are USD 62,400. Non-Executive Directors do not participate in any variable remuneration element or any other benefits arrangements. Additional Non-Executive Directors payments for 2014: > Audit Committee Chairman: USD 15,600; > Remuneration Committee Chairman: USD 7,800.	Not applicable.

Illustrations of application of remuneration policy for 2015

The chart below seeks to demonstrate how pay varies with performance for the Non-Executive Chairman and Chief Executive Officer based on our stated remuneration policy.



Scenario	Description
Fixed	Fixed pay only (no variable payments under annual bonus and LTIP).
Annual variable	Money or other assets received or receivable for the reporting period as a result of the achievement of performance conditions that relate to that period (i.e. annual bonus payments).Maximum annual bonus opportunity is 100% of base salary for Executive Directors. On-Target equal to 60% on maximum.
Multiple period variable	Money or other assets received or receivable for multiple reporting periods as a result of the achievement of performance conditions. Maximum LTIP opportunity is based on the maximum number of shares which can be granted under any tranche to each individual. On-Target assumes 25% LTIP vesting.

Non-Executive Chairman and Executive Director service contracts

The Company's policy on Directors' service contracts is that they should be on a rolling basis without a specific end date.

Director	Effective term	Notice period
Bruce A. I. Dingwall	Rolling with no fixed expiry date	6 months
Joel M. C. Pemberton	Rolling with no fixed expiry date	12 months

ANNUAL REPORT ON REMUNERATION

This section of the remuneration report contains details of how the Company's remuneration policy for Directors was implemented during the financial year ending on 31st December 2014.

SINGLE TOTAL FIGURE OF REMUNERATION

The table below sets out the single total figure of remuneration and breakdown for each Director paid for the 2014 financial year. Comparative figures for 2013 have also been provided where applicable.

Executive Directors

	Base Salary USD	Taxable benefits USD	Annual bonus USD	Pension USD	Long Term Incentives USD	Other payments USD	Total USD
Bruce A.I. Dingwall (2014)[1]	**315,000**			**31,500**			**346,500**
Bruce A.I. Dingwall (2013)[1]	263,846	–	75,000	–	–	–	338,846
Joel M. C. Pemberton (2014)[2]	**367,500**	**60,833**	**–**	**36,750**		**7,523**	**472,606**
Joel M. C. Pemberton (2013)[2]	304,167	36,406	75,000	30,417	–	20,414	466,404

Notes:

1. *Bruce Alan Ian Dingwall – Non-Executive Chairman (previously Executive Chairman) (appointed 14th February 2013)*
2. *Joel M. C. Pemberton – Chief Executive Officer (appointed 14th February 2013). The 'Other payments' represents Health Insurance benefits received during 2014*

Non-Executive Directors

	Total Fees 2013 USD	**Total Fees 2014 USD**
Charles Anthony Brash Junior (2014)[1]	54,880	**62,400**
David MacFarlane (2014)[2]	68,600	**78,000**
Finian O'Sullivan (2014)[3]	54,880	**62,400**
Jonathan Murphy (2014)[4]	61,740	**70,200**
Ronald Harford (2014)[5]	54,880	**62,400**

Notes:

1. *Charles Anthony Brash Junior – Non-Executive Director (appointed 14th February 2013)*
2. *David MacFarlane –Non-Executive Director (appointed 8th July 2011) and re-appointed Audit Committee Chairman 14th February 2014. Fees include both Non-Executive Director Fees and Audit Committee Chairman Fees*
3. *Finian O' Sullivan –Previously Executive Chairman (appointed Non-Executive Director 14th February 2013)*
4. *Jonathan Murphy– Non-Executive Director (appointed 14th February 2013) and appointed Remuneration Committee Chairman 14th February 2013. Fees include both Non-Executive Director Fees and Remuneration Committee Chairman Fees*
5. *Ronald Harford– Non-Executive Director (appointed 14th February 2013)*
6. *2013 fees cover the period 13th February to 31st December 2013*

Additional Note: All GBP fees were converted to USD using an exchange rate of 1.56

ADDITIONAL DETAILS ON SINGLE FIGURE TABLE

Annual bonus

For the Executive Directors, the maximum annual bonus opportunity for 2014 was 100% of salary. At the end of the financial year, performance was carefully reviewed by the Committee against a performance scorecard comprising of finance and business development, operations, health and safety and organisation performance measures. Based on the scorecard assessment, a review of the Company's underlying financial performance and current market conditions the Committee determined that there would be no bonus payments for 2014 performance.

ANNUAL REPORT ON REMUNERATION (CONTINUED)

Long-term incentives

No long-term incentives vested in the year for the Executive Directors.

Pension entitlements

Executive Directors are not members of a Company pension plan. For the year ending 31st December 2014, Bruce Dingwall and Joel Pemberton received cash in lieu of Company pension contributions of 10% of base salary.

Long-Term Incentive Plan

No awards have been made under this scheme.

STATEMENT OF EXECUTIVE DIRECTORS' SHAREHOLDING

The Executive Directors are required to build and maintain a holding of shares equivalent in value to a minimum of two times their salary within a five year period. This can be satisfied through shares released under the LTIP, Mirror Scheme, shares acquired through own resources and/or the deferred annual bonus shares.

The table below summarises the Executive Directors' interests in shares and the extent to which the shareholding requirement applicable has been achieved.

	Shareholding			Outstanding interests				
				Interests subject to conditions		Vested but unexercised interests		
Director	Shares required to be held	Current share-holding[1]	Beneficially owned shares[2]	Options - Mirror Scheme	Share interests - LTIP	Options - Mirror Scheme	Share interests - LTIP	Total held at 31 December 2014
B Dingwall	200%	756%	5,815,498	625,908	-	-	-	6,441,406
J Pemberton	200%	59%	525,960	493,548	-	-	-	1,019,508

Notes:

1. *Beneficial interests include shares held directly or indirectly by connected persons.*
2. *The closing share price of USD 0.41 as at 31st December 2014 has been taken for the purpose of calculating the current shareholding as a percentage of the salary at the end of the financial year.*

CONSIDERATION BY THE DIRECTORS OF MATTERS RELATING TO DIRECTORS' REMUNERATION

Role of the Committee and activities

The Committee is responsible for making recommendations to the Board regarding the framework for the remuneration of the Executive Directors and others members of the senior management group. The Committee works within its terms of reference, and its role includes:

> Determining and agreeing with the Board the remuneration policy for all Executive Directors and other members of the senior management group.
> Ensuring executive remuneration packages are competitive.
> Determining whether annual bonus payments should be made and recommending levels for individual executives.
> Determining each year whether any awards/grants should be made under the incentive schemes and the value of such awards.
> Considering any new long-term incentive scheme awards and performance criteria.
> Agreeing Directors' service contracts and notice periods.

Members of the Committee

The Committee's members are currently Jonathan Murphy (Committee Chairman), David MacFarlane and Ronald Harford. The Executive Directors are invited to attend the Committee meetings but do not participate in decisions regarding their own remuneration. The Committee met twice during the year.

Advisors to the Committee

During the year, PricewaterhouseCoopers (PwC) provided general advice to the Committee on remuneration trends and incentive design. PwC is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is satisfied that advice received from PwC during the year was objective and independent.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Joel M. C. Pemberton
Chief Executive Officer
27th May 2015

INDEPENDENT AUDITORS' REPORT
on the Financial Statements to the Members of Trinity Exploration & Production Plc

OUR OPINION
In our opinion:

- Trinity Exploration & Production Plc's group financial statements and company financial statements (the financial statements) give a true and fair view of the state of the Group's and of the Company's affairs as at 31st December 2014 and of the Group's loss and the Group's and the Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS's) as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – GROUP AND COMPANY – GOING CONCERN
In forming our opinion on the Group financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group and Company's ability to continue as a going concern.

The directors recognise that the Group has insufficient financial resources to fully develop the business in the longer term in the absence of additional funding. The directors have commenced a formal sales process and have received a number of conditional proposals and expressions of interest. They believe there are reasonable future prospects for a transaction to be completed. However, there is uncertainty as to the ability to secure the additional funding required.

These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The Group financial statements do not include the adjustments that would result if the Group and Company were as unable to continue as a going concern.

WHAT WE HAVE AUDITED
Trinity Exploration & Production Plc's financial statements comprise:

- the Consolidated and Company Statement of Financial Position as at 31st December 2014;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Company Statement of Cash Flows for the year then ended;
- the Consolidated and Company Statement of Changes in Equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and, as regards the company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006
In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION
Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.
  We have no exceptions to report arising from this responsibility.

DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are required to report to you if, in our opinion:

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Consolidated and Company Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Richard Spilsbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
27th May 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st December 2014

(Expressed in United States Dollars)

	Notes	**2014 $'000**	2013 $'000
Operating Revenues			
Crude oil sales		**113,319**	123,585
Other income		**144**	234
		113,463	123,819
Operating Expenses			
Royalties		**(36,980)**	(37,343)
Production costs		**(32,931)**	(33,099)
Depreciation, depletion and amortisation	5	**(16,335)**	(13,211)
General and administrative expenses		**(15,019)**	(18,539)
		(101,265)	(102,192)
Operating Profit Before Exceptional Items		**12,198**	21,627
Exceptional Items	29	**(120,939)**	28,766
Exploration cost write off		**(14,929)**	—
Operating (Loss)/Profit After Exceptional Items	19	**(123,670)**	50,393
Finance Income		**33**	—
Finance Costs	20	**(5,151)**	(2,357)
(Loss)/Profit Before Income Tax		**(128,788)**	48,036
Income Tax Expense	21	**(12,657)**	(9,481)
(Loss)/Profit For The Year		**(141,445)**	38,555
Other Comprehensive Income:			
Items that may be subsequently reclassified to profit or loss			
Currency Translation		**263**	277
Total Comprehensive (Loss)/Income For The Year		**(141,182)**	38,832
Earnings per share (expressed in dollars per share)			
Basic	30	**(1.49)**	
Diluted	30	**(1.49)**	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31st December 2014

(Expressed in United States Dollars)

	Notes	2014 $'000	2013 $'000
ASSETS			
Property, plant and equipment	5	**85,655**	177,592
Intangible assets	6	**25,676**	59,002
Deferred tax assets	17	**27,630**	64,693
		138,961	301,287
Current Assets			
Inventories	8	**11,909**	12,029
Trade and other receivables	7	**21,990**	36,803
Non-current asset held-for-sale	14	**672**	—
Taxation recoverable	9	**548**	528
Cash and cash equivalents	10	**33,084**	25,145
		68,203	74,505
Total Assets		**207,164**	375,792
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Parent			
Share capital	11	**94,800**	94,800
Share premium	11	**116,395**	116,395
Share warrants	12	**71**	71
Share based payment reserve	28	**11,834**	11,523
Merger reserves	13	**75,467**	74,808
Reverse acquisition reserve	13	**(89,268)**	(89,268)
Translation reserve		**527**	567
Accumulated (deficit)/surplus		**(131,070)**	10,375
Total Equity		**78,756**	219,271
Non-current Liabilities			
Borrowings	15	**—**	11,910
Provision for other liabilities	16	**39,775**	29,027
Deferred tax liabilities	17	**3,778**	46,387
		43,553	87,324
Current Liabilities			
Trade and other payables	18	**33,374**	61,117
Borrowings	15	**33,000**	3,989
Taxation payable	9	**18,481**	4,091
		84,855	69,197
Total Liabilities		**128,408**	156,521
Total Equity and Liabilities		**207,164**	375,792

The financial statements on pages 31 to 72 were authorised for issue by the Board of Directors on 27th May 2015 and were signed on its behalf by:

Joel M.C. Pemberton
Chief Executive Officer
27th May 2015

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31st December 2014

(Expressed in United States Dollars)

	Notes	**2014 $'000**	2013 $'000
ASSETS			
Non-current Assets			
Investment in subsidiaries	22	**44,513**	94,401
Trade and other receivables	7	**10,106**	160,760
		54,619	255,161
Current Assets			
Trade and other receivables	7	**1,106**	1,007
Cash and cash equivalents	10	**10**	4,189
		1,116	5,196
Total Assets		**55,735**	260,357
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Parent			
Share capital	11	**94,800**	94,800
Share premium	11	**116,395**	116,395
Share based payment reserve		**1,419**	1,127
Merger reserves		**56,652**	56,652
Accumulated deficit		**(215,838)**	(9,991)
Total Equity		**53,428**	258,983
Current Liabilities			
Trade and other payables	18	**1,147**	1,374
Tax payable		**1,160**	—
		2,307	1,374
Total Liabilities		**2,307**	1,374
Total Equity and Liabilities		**55,735**	260,357

The financial statements on pages 31 to 72 were authorised for issue by the Board of Directors on 27th May, 2015 and were signed on its behalf by:

Joel Pemberton
Chief Executive Officer
27th May 2015

Trinity Exploration & Production Plc
Registered Number: 07535869

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31st December 2014

(Expressed in United States Dollars)

	Share Capital $'000	Share Premium $'000	Share Warrant $'000	Share Based Payment Reserve $'000	Reverse Acquisition Reserve $'000	Merger Reserve $'000	Translation Reserve $'000	Accumulated (Losses)/ Retained Earnings $'000	Total Equity $'000
At 1st January 2013	34	17,550	71	7,295	—	52,853	290	(27,180)	50,913
Acceleration of share options (note 28)	—	—	—	4,708	—	—	—	—	4,708
Placing shares issued (note 11)	47,500	41,523	—	—	—	—	—	—	89,023
Share options exercised	—	—	—	(411)	—	—	—	—	(411)
Shares issued to previous equity holders of TEPL (note 11 & 13)	25,618	(17,550)	—	—	(30,421)	22,353	—	—	—
Legacy TEP Plc share capital	21,648	80,817	—	—	(58,800)	—	—	—	43,665
Cost of raising equity (note 11)	—	(5,945)	—	—	—	—	—	—	(5,945)
Share options granted (note 28)	—	—	—	187	—	—	—	—	187
LTIP's granted (note 28)	—	—	—	88	—	—	—	—	88
Legacy share options (note 28)	—	—	—	(262)	—	—	—	—	(262)
Non-controlling interest	—	—	—	—	—	—	—	(1,000)	(1,000)
Translation difference	—	—	—	(82)	(47)	(398)	—	—	(527)
Comprehensive income for the year	—	—	—	—	—	—	277	38,555	38,832
At 31st December 2013	**94,800**	**116,395**	**71**	**11,523**	**(89,268)**	**74,808**	**567**	**10,375**	**219,271**

	Share Capital $'000	Share Premium $'000	Share Warrant $'000	Share Based Payment Reserve $'000	Reverse Acquisition Reserve $'000	Merger Reserve $'000	Translation Reserve $'000	Accumulated (Losses)/ Retained Earnings $'000	Total Equity $'000
At 1st January 2014	94,800	116,395	71	11,523	(89,268)	74,808	567	10,375	219,271
Share based payment charge (note 28)	—	—	—	163	—	—	—	—	163
Translation difference	—	—	—	148	—	659	(303)	—	504
Comprehensive loss for the year	—	—	—	—	—	—	263	(141,445)	(141,182)
At 31st December 2014	**94,800**	**116,395**	**71**	**11,834**	**(89,268)**	**75,467**	**527**	**(131,070)**	**78,756**

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31st December 2014

(Expressed in United States Dollars)

	Share Capital $'000	Share Premium $'000	Share Based Payment Reserve $'000	Merger Reserve $'000	Accumulated Losses $'000	Total Equity $'000
At 1st January 2013	21,648	80,817	1,117	34,228	(7,296)	130,514
Shares issued to previous holders of TEPL	25,652	—	—	22,424	—	48,076
Placing shares issued	47,500	41,523	—	—	—	89,023
Cost of raising equity	—	(5,945)	—	—	—	(5,945)
Legacy share option adjustment	—	—	(262)	—	—	(262)
Share options granted	—	—	226	—	—	226
LTIP granted	—	—	53	—	—	53
Translation difference	—	—	(7)	—	—	(7)
Comprehensive loss for the year	—	—	—	—	(2,695)	(2,695)
At 31st December 2013	94,800	116,395	1,127	56,652	(9,991)	258,983
At 1st January 2014	94,800	116,395	1,127	56,652	(9,991)	258,983
Share based payment charge	—	—	292	—	—	292
Comprehensive loss for the year	—	—	—	—	(205,847)	(205,847)
At 31st December 2014	**94,800**	**116,395**	**1,419**	**56,652**	**(215,838)**	**53,428**

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended 31st December 2014

(Expressed in United States Dollars)

	Notes	2014 $'000	2013 $'000
Operating Activities			
(Loss)/Profit before taxation		**(128,788)**	48,036
Adjustments for:			
Translation difference		**(232)**	79
Finance cost – loans and interest	20	**3,985**	1,179
Share based payment charge	28	**163**	4,721
Finance cost – decommissioning provision	16	**1,167**	1,178
Finance income		**(33)**	—
Depreciation, depletion and amortisation	5	**16,335**	13,211
Goodwill	29	**—**	2,746
Negative goodwill	29	**—**	(52,070)
Abandonment	5	**—**	1,624
Potential claim	29	**1,270**	—
Exploration cost write off	6	**14,929**	—
Impairment of property, plant and equipment	5	**96,242**	3,468
Impairment of intangibles	6	**23,430**	7,786
		28,468	31,958
Changes In Working Capital			
Inventories	8	**121**	(472)
Trade and other receivables	7	**14,792**	(2,922)
Trade and other payables	18	**(27,742)**	13,842
		15,639	42,406
Taxation paid		**(3,837)**	(25,430)
Net Cash Inflow From Operating Activities		**11,802**	16,976
Investing Activities			
Purchase of exploration and evaluation assets	6	**(4,970)**	(35,396)
Purchase of property, plant and equipment	5	**(11,941)**	(56,736)
Cash and cash equivalent acquired in acquisition		**—**	6,529
Net Cash Outflow From Investing Activities		**(16,911)**	(85,603)
Financing Activities			
Finance income		**33**	—
Issue of shares (net of costs)		**—**	84,868
Repayment of convertible shareholder loan notes	14	**—**	(6,355)
Finance cost – loans	20	**(3,985)**	(1,179)
Repayment of borrowings	15	**(8,000)**	(6,217)
Proceeds from new borrowings	15	**25,000**	—
Net Cash Inflow From Financing Activities		**13,048**	71,117
Increase in Cash and Cash Equivalents		**7,939**	2,490
Cash And Cash Equivalents			
At beginning of year		**25,145**	22,655
Increase in cash and cash equivalents		**7,939**	2,490
At end of year	10	**33,084**	25,145

COMPANY STATEMENT OF CASH FLOW

for the year ended 31st December 2014

(Expressed in United States Dollars)

	Notes	**2014 $'000**	2013 $'000
Operating Activities			
Loss before taxation		**(204,690)**	(2,695)
Adjustments for:			
Finance income – intragroup loans		**(8,420)**	(1,311)
Finance cost – interest on taxes		**3**	—
Share based payment charge		**79**	(224)
Impairment of investment in subsidiaries	22	**50,100**	—
Impairment of intragroup loans		**161,569**	—
		(1,359)	(4,230)
Changes In Working Capital			
Trade and other receivables	7	**(11,013)**	(75,719)
Trade and other payables	18	**(224)**	(407)
Net Cash Outflow from Operating Activities		**(12,596)**	(80,356)
Financing Activities			
Finance income – intragroup loans		**8,420**	1,311
Finance cost – interest on taxes		**(3)**	—
Share capital issued (net of costs)	11	**—**	83,078
Net Cash Inflow from Financing Activities		**8,417**	84,389
(Decrease)/Increase In Cash And Cash Equivalents		**(4,179)**	4,033
Cash and Cash Equivalents			
At beginning of year		**4,189**	154
(Decrease) / Increase in cash and cash equivalents		**(4,179)**	4,033
Exchange rate differences		**—**	2
At end of year	10	**10**	4,189

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31st December 2014

1. BACKGROUND AND ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of this consolidated financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Background

Trinity Exploration & Production Plc ("TEP Plc") previously Bayfield Energy Holdings plc ("Bayfield") was incorporated and registered in England and Wales on 21st February, 2011 and traded on the Alternative Investment Market ("AIM"), a market operated by London Stock Exchange plc. On 14th February, 2013, Bayfield was acquired by Trinity Exploration & Production (UK) Limited ("TEPL"), a Company incorporated in Scotland, through a reverse acquisition. On the 14th February, 2013, the enlarged Group was re-admitted to trading on AIM and Bayfield changed its name to Trinity Exploration & Production plc. TEP Plc ("the Company") and its subsidiaries (together "the Group") are involved in the exploration, development and production of oil and gas reserves in Trinidad.

Basis of Preparation

This consolidated financial information has been prepared on a going concern basis, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and those parts of the Companies Act 2006 as applicable to companies reporting under IFRS. This consolidated financial information has been prepared under the historical cost convention, modified for fair values under IFRS.

The preparation of the consolidated financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial information are disclosed in note 3.

The Company has taken advantage of the exemption in Section 408 of the Companies Act 2006 not to present its own income statement or statement of comprehensive income. The loss for the Company for the year was $205.8 million (2013 $2.7 million loss) due to the impairment of intragroup loans and investment in subsidiaries.

Going Concern

In making their going concern assessment, the Directors have considered the Group's budget and cash flow forecasts. The Group is incurring expenditure in order to continue operations from its existing fields as well as maintain a much reduced level of its overheads. Discussion with the Group's bankers is ongoing and, under the assumption that the Group's remaining external debt is not recalled following expiry of the current moratorium on 15 June 2015, the Group has sufficient cash flow to continue operating for at least the next 12 months from the date of approval of these financial statements. However, the Group's intended expenditure for the development of the business and delivery of its full 2P reserve potential, exceeds the existing cash reserves and as such the Group will need to generate additional funding in the near term during the second half of 2015 in order to continue the development of these operations.

The Company has commenced a formal sales process along with consideration of alternative funding options including the sale of one or more existing assets, a farm-out or corporate transaction. At the date of signing the accounts, a number of conditional proposals and expressions of interest had been received but funding has not been secured not concluded.

The Board of Directors has carefully considered and formed a reasonable judgement that, at the time of approving the financial statements, there is a reasonable expectation that the Company will be able to obtain sufficient funding to continue operations for the foreseeable future. For this reason, the Board of Directors continues to adopt the going concern basis of preparing the financial statements. However, the need for additional funding indicates the existence of a material uncertainty which may cast significant doubt on the Company and the Group's ability to continue as a going concern and, therefore the Group and Company may be unable to fully realise their assets and discharge their liabilities in the normal course of business. The financial statements do not include the adjustments that would be necessary if the Group and Company were unable to continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31st December 2014

New and amended standards adopted by the Group:
The following standards and amendments to existing standards have been published and are effective for periods beginning after 1st January, 2014 but had no significant impact on the Group:

IFRS 10 Consolidated Financial Statements	This is a new standard that replaces existing guidance on this area and introduces new criteria for determining whether an entity should be consolidated within the results of the Group, with the key determinant now being whether the Group controls the entity (ie has the power to direct the level of returns the entity makes, and whether the Group receives variable returns from the Group.	Periods beginning on / after 1st January 2013
IFRS 11 Joint Arrangements	As with the above, this is a new standard, which reduces the number of categories of and therefore options for accounting for joint arrangements. Joint ventures are accounted for using the equity method, and a joint operator in a joint operation will recognise its share of assets, liabilities, revenues and expenses in its own financial statements. The previous accounting policy choice has been removed.	Periods beginning on / after 1st Janurary 2013
IFRS 12 Disclosure of Interests in Other Entities	This new standard sets out the disclosure requirements in the financial statements in respect of IFRS 10 and IFRS 11 The key additional disclosure above those already required under existing standards, is that additional information is required on the nature, risks and financial effects of the Company's interests in other entities.	Periods beginning on / after 1st January 2013
IAS 19 Employee Benefits	A further amendment to IAS 19R is designed to clarify the application of the standard to plans that require employees or third parties to contribute towards the cost of benefits. Contributions that are linked to service, but do not vary with the length of the employee service are to be deducted from the cost of benefits earned in the period that the service is provided. However, contributions that vary according to the length of service must be spread over the service period. Contributions not linked to service are reflected in the measurement of the balance sheet liability.	Periods beginning on / after 1st July 2014
IAS 36 Impairment of Assets	Some narrow scope amendments have been made to the Standard, which will impact entities who recognise or reverse an impairment loss on non-financial assets by altering some of the associated disclosure requirements.	Periods beginning on / after 1st January 2014
IAS 39 Financial Instruments: recognition and measurement	The amendment clarifies the accounting impact on hedge accounting when entities novate derivative contracts to central counterparties to reduce counterparty risk.	Periods beginning on / after 1st January 2014

New and amended standards not yet adopted by the Group:
The following standards and amendments to existing standards have been published and are effective for periods beginning after 1st January, 2014 and have not been applied in preparing these consolidated financial statement. None of these is expected to have a significant effect on the Group:

IFRS 15 Revenue from Contracts with Customers	The new standard for revenue replaces IAS 18, and will have a significant impact on some entities. The changes could have an impact on the timing of when revenue is recognised and the period over which it is recognised as well as on the financial statement disclosures.	Periods beginning on / after 1st January 2017
IFRS 9 Financial Instruments	This is a new accounting standard that introduces a new classification approach for financial assets and liabilities. The previous four categories for financial assets will be reduced to three, being fair value through profit and loss, fair value through other comprehensive income and amortised cost, and financial liabilities will be measured at amortised cost or fair value through profit and loss. This may result in additional gains or losses being recognised in the Income.	Periods beginning on / after 1st January 2018

Basis of consolidation

The consolidated financial information incorporates the financial information of the Company and entities controlled by the Company (its subsidiaries) made up to 31st December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income. Costs related to an acquisition are expensed as incurred.

Uniform accounting policies have been adopted across the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Business combination

The acquisition of subsidiaries is accounted for using the acquisition method.

Identifying the acquirer in a business combination is based on the concept of 'control'. However in certain circumstances the positions may be reversed and it is the legal subsidiary entity's shareholders who effectively control the combined Group even though the other party is the legal parent. IFRS 3 requires, in a business combination effected through an exchange of equity interests, all relevant facts and circumstances be considered to determine which of the combining entities has the power to govern the financial and operating policies of the other entity. These combinations are commonly referred to as 'reverse acquisitions'. A detailed summary of the business combination and financial implication of this is provided within note 27.

For each business combination, the cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Transaction costs are expensed directly to the Income Statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. Where the Group has acquired assets held in a subsidiary undertaking that do not meet the definition of a business combination, purchase consideration is allocated to the net assets acquired and the interests of non-controlling shareholders are initially measured at their proportionate share of the acquiree's net assets.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for the sale of crude oil and services provided in the ordinary course of business, net of discounts and sales related taxes. Revenue is recognised when goods are delivered and title has passed when the oil is transferred to Petrotrin's pipelines, at which point revenue will be recognised. Petrotrin is the group's only customer.

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable, unless collectability is in doubt.

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans (warrants/options/long term incentive plans 'LTIP') as consideration for services rendered by the Group's employees. The fair value of the services received in exchange for the grant of share-based payment is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market performance and service conditions are included in assumptions about the number of share-based payments that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity. When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Where the services provided relate solely to the issue of share capital, the expense will be charged to equity within the share premium account.

The grant by the Company of options and LTIPs over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

Foreign currency translation

(a) Functional and presentation currency

The functional currency of the Group operating entity is Trinidad and Tobago dollars as this is the currency of the primary economic environment in which the entities operate. The presentation currency is United States Dollars which better reflects the Group's business activities and improves ability of users of the financial statements to compare financial results with others in the International Oil and Gas industry. The Statement of Financial Position is translated at the closing rate and Statement of Comprehensive Income is translated at the average rate. The following exchange rates have been used in the preparation of these accounts:

	2014		2013	
	USD	**£**	USD	£
Average rate TTD= USD/£	6.385	10.523	6.416	10.009
Closing rate TTD= USD/£	6.359	9.934	6.436	10.580

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Intangible assets

(a) Exploration and evaluation assets

Capitalisation

Exploration and Evaluation assets are initially classified as intangible assets. Such costs include those directly associated with an exploration area. Upon discovery of commercial reserves capitalisation is recognised within Property, Plant and Equipment.

Oil and natural gas exploration and evaluation expenditures are accounted for using the successful efforts method of accounting. Under this method, costs are accumulated on a prospect-by-prospect basis and capitalised upon discovery of commercially viable mineral reserves. If the commercial viability is not achieved or achievable, such costs are charged to expense.

Costs incurred in the exploration and evaluation of assets includes:

(i) License and property acquisition costs

Exploration and property leasehold acquisition costs are capitalised within exploration and evaluation assets.

(ii) Exploration and evaluation expenditure

Costs directly associated with an exploration well are capitalised until the determination of reserves is evaluated. Such costs include topographical, geological, geochemical, and geophysical studies, exploratory drilling costs, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resources. Capitalisation is made within property, plant and equipment or intangible assets according to its nature however a majority of such expenditure is capitalised as an intangible asset. If commercial reserves are found, the costs continue to be carried as an asset. If commercial reserves are not found, exploration and evaluation expenditures are written off as a dry hole when that determination is made.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to development tangible and intangible assets as applicable. No depreciation and/or amortisation are charged during the exploration and evaluation phase.

Impairment

Exploration and evaluation assets are tested for impairment (in accordance with the criteria set out in IFRS 6: Exploration for and Evaluation of Mineral Resources) whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceed their recoverable amount. The recoverable amount is the higher of the exploration and evaluations assets' fair value less costs to sell and their value in use. For the purposes of assessing impairment, the exploration and evaluation assets subject to testing are Grouped with existing cash generating units (CGUs) of related production fields located in the same geographical region. The geographical region is the same as that used for reserves reporting purposes.

The following indicators are evaluated to determine whether these assets should be tested for impairment:

- The period for which the Group has the right to explore in the specific area.
- Whether substantive expenditure on further exploration and evaluation in the specific area is budgeted or planned.
- Whether exploration and evaluation in the specific area have not led to the discovery of commercially viable quantities and the Company has decided to discontinue such activities in the specific area.
- Whether sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(b) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Property, plant and equipment

(a) Oil and gas assets

Development and Producing Assets – Capitalisation

Acquisitions of oil and gas properties are accounted for under the purchase method where the transaction meets the definition of a business combination.

Transactions involving the purchases of an individual field interest, or a Group of field interests, that do not qualify as a business combination are treated as asset purchases, irrespective of whether the specific transactions involve the transfer of the field interests directly, or the transfer of an incorporated entity. Accordingly, the consideration is allocated to the assets and liabilities purchased on a relative fair value basis.

Proceeds on disposal are applied to the carrying amount of the specific asset or development and production assets disposed of. Any excess is recorded as a gain on disposal in the statement of comprehensive income and any shortfall between the proceeds and the carrying amount is recorded as a loss on disposal in the statement of comprehensive income.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development commercially proven wells is capitalised according to its nature. When development is completed on a specific field it is transferred to Production Assets. No depreciation and/or amortisation are charged during the development phase.

Expenditure on Geological and Geophysical (G&G) surveys used to locate and identify properties with the potential to produce commercial quantities of oil and gas as well as to determine the optimal location for development wells are capitalised.

Development and Producing Assets – Impairment

An impairment test is performed whenever events and circumstances arising during the development or production phase indicate that the carrying value of a development or production asset may exceed its recoverable amount. Impairment triggers include but not limited to, declining long term market prices for oil and gas, significant downward reserve revisions, increased regulations or fiscal changes, deteriorating local conditions such that it become unsafe to continue operations and obsolescence.

The carrying value is compared against the expected recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels (its cash generating unit) for which there are separately identifiable cash flows. The cash generating unit applied for impairment test purposes is generally the field. These fields are the same as that used for reserves reporting purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Producing Assets – Depreciation, depletion and amortisation

The provision for depreciation, depletion and amortisation of developed and producing oil and gas assets are calculated using the unit-of-production method.

Oil and gas assets are depreciated generally on a field-by-field basis using the unit-of-production method which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future development costs. Changes in the estimates of commercial reserves or future development costs are dealt with prospectively.

Decommissioning

Provision for decommissioning is recognised in full at the commencement of oil and gas production. The amount recognised is the net present value of the estimated cost of decommissioning at the end of the economic producing lives of the wells and the end of the useful lives of refinery and storage units. Such costs include removal of equipment, restoration of land or seabed. The unwinding of the discount on the provision is included in the statement of comprehensive income within finance costs.

A corresponding asset is also created at an amount equal to the provision. This is subsequently depleted as part of the capital costs of the production assets. Any change in the present value of the estimated expenditure or discount rates are reflected as an adjustment to the provision and the asset and dealt with prospectively.

(b) Non-oil and gas assets

All property, plant and equipment are recorded at historical cost less accumulated depreciation and any impairment losses. Historical cost includes the original purchase price of the asset and expenditure that is directly attributable to bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The provision for depreciation with respect to operations other than oil and gas producing activities is computed using the straight-line method based on estimated useful lives as follows:

Buildings	–	20 years
Plant and equipment	–	4 years
Other	–	4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing assets will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Impairment of non-financial assets

At each reporting date, assets that have an indefinite useful life, for example, goodwill, are not subject to amortisation and are tested for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Inventories

Crude oil is stated at the lower of cost and net realisable value. Cost is determined by the first in first out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Materials and supplies are stated at lower of cost and net realisable value. Cost is determined using the average cost method.

Cash and cash equivalents
Cash and cash equivalents comprises cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Trade receivables
Trade receivables are amounts due from customers for crude oil sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of sale.

Trade payables
Trade payables are initially recognised at fair value.

Current and deferred income taxes
The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in equity. In this case the tax is also recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial information. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority and the Company intends to settle the balances on a net basis.

Borrowings
Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in comprehensive income in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Employee retirement benefits

The Group provides retirement benefits for certain employees in the form of individual annuity policies. These are defined contribution arrangements.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

Non-current assets (or disposal Groups) held for sale

Non-current assets (or disposal Groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal Groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal Group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. The nominal value of any shares issued is recognised in share capital with the excess above the nominal amount paid being shown within share premium.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity. Where, on issuing shares, share premium has been recognised, the expenses of issuing those shares and any commission paid on the issue of those shares have been written off against the share premium account.

Operating segment information

The steering committee is the Group's chief operating decision-maker. Management has determined the operating segments reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for making strategic decisions inclusive of; allocating resources and assessing performance of the operating segments. The chief operating decision–maker has been identified as the steering committee of Management which comprises; the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, that makes strategic decisions in accordance with Board policy.

Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the non-recurring nature and the significance of their nature or amount.

2. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management. Management identifies and evaluates financial risks.

Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk primarily with respect to the United States Dollar. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities which are denominated in a currency that is not the entity's functional currency.

At 31st December 2014, if the functional currency had weakened/strengthened by 10 per cent against the United States Dollar with all other variables held constant, post- tax(loss)/profit for the year would have been $1.8 million (2013: $3.2 million) lower/higher, mainly as a result of foreign exchange gain/losses on translation of US dollar-denominated borrowings and sales.

(ii) Price risk

The Group is exposed to commodity price risk regarding its sales of crude oil which is an internationally traded commodity.

At 31st December 2014, if commodity prices had been 1 per cent higher/lower with all other variables held constant, post-tax (loss)/profit for the year would have been $0.6 million (2013: $1.2 million) lower/higher.

(iii) Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

At 31st December 2014, if interest rates on foreign currency-denominated borrowings had been 1 per cent higher/lower with all other variables held constant, post-tax (loss)/profit for the year would have been $0.3 million (2013: $0.2 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, management determines the placement of funds based on its judgement and experience.

All sales are made to a state-owned entity – Petrotrin. As Petrotrin is state owned, credit risk is considered to be low.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Group's liquidity and cash and cash equivalents on the basis of expected cash flow. At the end of the year the Group is facing liquidity issues over its current liabilities which include Borrowings, Accounts payable, accruals and taxes. The Group's revenues have decreased as a result of a sharp decline in oil prices impacting the main source of revenue generation. In addition, the Group's credit facility arrangement was breached with Citibank Trinidad and Tobago Limited requiring repayment of $20.0 million in 2015, with the balance repayable following a moratorium to June 2015 should the breach continue. The Group has a working capital deficit of $16.7 million (2013: surplus $5.3 million). Management has suspended investment in appraisal and development activities and is continuing to manage its relationships with the Bank and Suppliers in an effort to handle the liquidity issue.

Management refers to the disclosures of note 1 "Going Concern" for more information regarding the factors considered by the Company in managing liquidity risk. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year $'000	Between 2 and 5 years $'000
At 31st December 2014		
Borrowings (including interest) (note 15)	**33,414**	**–**
Accounts payable, accruals and taxes (note 18,9)	**51,855**	**–**
At 31st December 2013		
Borrowings (including interest) (note 15)	5,197	18,137
Accounts payable, accruals and taxes (note 18,9)	65,208	–

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At the end of 2014 the Citibank debt service coverage ratio was breached (note 15).

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	2014 $'000	2013 $'000
Total borrowings	**33,000**	15,899
Less: cash and cash equivalents	**(33,084)**	(25,145)
(Funds)/net debt	**(84)**	(9,246)
Total equity	**78,756**	219,271
Total capital	**78,672**	210,025
Gearing ratio	**(0.11)%**	(4.40)%

Fair value estimation

The carrying values of trade receivables (less impairment provision) and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Income taxes

Some judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Management recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Recoverability of deferred tax assets

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the level of deferred tax assets recognised which can result in a charge or credit in which the change occurs.

(c) Provision for decommissioning costs

This provision is significantly affected by changes in technology, laws and regulations which may affect the actual cost of decommissioning to be incurred at a future date. The estimate is also impacted by the discount rates used in the provisioning calculations. The discount rates used are the Group's risk-free rate and the core inflation rate applicable to the local oil and gas industry. The provision has been estimated using a discount rate of 3.9 per cent (2013: 3.9 per cent) and a core inflation rate of 3 per cent (2013: 3 per cent). The impact in 2014 of a 1 per cent change in these variables is as follows:

	Statement of Financial Position Obligation 2014 $'000	Statement of Comprehensive Income/ Expense 2014 $'000
Discount rate		
1 per cent increase in assumed rate	**(6,108)**	**48**
1 per cent decrease in assumed rate	**7,415**	**(142)**
Inflation rate		
1 per cent increase in assumed rate	**7,748**	**206**
1 per cent decrease in assumed rate	**(6,455)**	**(203)**

(d) Estimation of reserves

All reserve estimates involve some degree of uncertainty, which depends chiefly on the amount of reliable geological and engineering data available at the time of the estimate. Generally, reserve estimates are revised as additional data become available. The Group estimates its own commercial reserves in 2013 and 2014 based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. The 2P reserve estimate is based on a fully funded programme under the assumption that management will secure the funding required to deliver this programme.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may also change. Such changes may impact the Group's reported financial position and results, which include:

- The carrying value of exploration and evaluation assets, oil and gas properties, property, plant and equipment, and goodwill may be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the unit of production method, or where the useful life of the related assets change.
- Provisions for decommissioning may change–where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

During 2014 all subsidiaries onshore and offshore 2P reserve estimates were evaluated by management and approved by the Board of Directors. In 2013 management re-evaluated the reserve estimates for all assets as a result of new information being available in respect of planned drilling and development activity.

Effective 1st October 2013, TEP Plc's joint venture partner Petrotrin agreed to convert its 35 per cent working interest in the Trintes field to an Overriding Royalty Agreement 'ORR'. No other financial consideration is payable beyond the ORR. The impact of this agreement provides TEP plc with 100 per cent revenue and cost entitlement in the Trintes field, with an overriding royalty payable to Petrotrin on crude oil produced in accordance with the ORR agreement. There have been no changes to these working interests in 2014.

(e) Farm outs and lease operatorship agreements

The Group accounts for its farmout and lease operatorship agreements on the basis that they will be renewed upon expiry. If any of these farmout or lease operatorship agreements are not renewed or renewed on disadvantageous terms this may severely impact the profitability and ongoing operations of the Group.

(f) Share-based payments

Management is required to make assumptions in respect of the inputs used to calculate the fair values of share-based payment arrangements which include expected volatility, risk free interest rate and current share price.

(g) Impairment of property, plant and equipment

Management performs impairment assessments on the Group's property, plant and equipment once there are indicators of impairment with reference to IAS 36: Impairment of Assets and in accordance with the accounting policy stated in note 1. In order to test for impairment, the higher of fair value less costs to sell and values in use calculations are prepared which require an estimate of the timing and amount of cash flows expected to arise from the CGU, cash generating unit. A CGU represents an individual field held by TEP plc.

During 2014 an impairment charge was recognised on the Group's property, plant and equipment of $96.2 million (2013: $ 3.5 million) see note 6, resulting in the carrying amount of the respective CGUs being written down to their recoverable amount:

CGU	Trintes	BM	PGB	WD 5/6	WD 14	WD 2	Total
($'million)							
Impairment loss	**(55.7)**	**(19.9)**	**(0.9)**	**(14.3)**	**(0.8)**	**(4.6)**	**(96.2)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of this assessment, management has carried out an impairment test on the oil and gas assets classified as property, plant and equipment. This test compares the carrying value of the assets at the reporting date with the expected discounted cash flows from each CGU. The period over which management has projected its cash flow forecast ranges between a 9-16 year economic life based on the production profile. For the discounted cash flows to be calculated, management has used a production profile based on its best estimate of proven and probable reserves of each CGU and a range of assumptions, including an external oil and gas price profile and a discount rate which, taking into account other assumptions used in the calculation, management considers to be reflective of the risks.

This assessment involves judgement as to the likely commerciality of the asset; its proven and probable ('2P') reserves which are estimated using standard recognised evaluation techniques on a fully funded basis; future revenues and estimated development costs pertaining to the CGU's; and a discount rate utilised for the purposes of deriving a recoverable value.

If the price deck used in the impairment calculation had been 10 per cent lower than management's estimates at 31st December 2014, the Group would have recognised a further impairment of Oil and Gas assets by $17.4 million (2013: $3.0 million) reducing the carrying value of property, plant and equipment. If the price deck used in the impairment calculation had been 10 per cent higher than management's estimates at 31st December, 2014, the Group would have recognised a lower impairment of Oil and Gas assets by $20.4 million (2013: $3.0 million).

Price deck	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
2014	**–**	**49.4**	**56.6**	**61.6**	**64.4**	**66.2**	**67.3**	**68.1**	**68.4**	**68.4**
2013	96.1	88.7	83.8	80.8	78.9	78.0	77.5	77.5	77.5	77.5

If the estimated cost of capital of 10 per cent (2013: 10 per cent) used in determining the post-tax discount rate for the CGU's had been 1 per cent lower than management's estimates the Group would have recognised a lower impairment of $3.1 million (2013: $0.6 million) against Oil and Gas assets within property, plant and equipment. If the estimated cost of capital had been 1 per cent higher than management's estimates the Group would have recognised a further impairment of $2.9 million (2013: $0.6 million).

(h) Impairment of intangible exploration and evaluation assets

The Group reviews the carrying values of intangible exploration and evaluation assets when there are impairment indicators which would tell whether an exploration and evaluation asset has suffered any impairment, in accordance with the accounting policy stated in note 1. The amounts of intangible exploration and evaluation assets represent the costs of active projects the commerciality of which is unevaluated until reserves can be appraised.

The Group has utilised internal management expertise in determining that the exploration well EG-8 and the exploration costs accumulated in South Africa were unrecoverable during 2014 (note 6).

An impairment charge of $23.5 million arose in the Trintes and South Africa CGU's during 2014, resulting in the full impairment of the Trintes EG-8 exploration well of $22.6 million and South Africa exploration costs of $0.9 million.

4. SEGMENT INFORMATION

Management have considered the requirements of IFRS 8, in regard to the determination of operating segments, and concluded that the Group has only one significant operating segment being the production, development and exploration and extraction of hydrocarbons.

All revenue is generated from sales to one customer in Trinidad and Tobago, the Petroleum Company of Trinidad and Tobago (Petrotrin). All current assets of the Group are located in Trinidad and Tobago; previously in 2013 an asset with a value of $1.2 million was located in South Africa. However this was written off during 2014 see note 6.

5. PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment $'000	Land & Buildings $'000	Oil & Gas Assets $'000	Other $'000	Total $'000
Year ended 31st December 2014					
Opening net book amount at 1st January 2014	6,133	2,558	168,901	—	177,592
Additions	40	(106)	12,007	—	11,941
Impairment 1 (note 29)	—	—	(96,242)	—	(96,242)
Transferred to available for sale (note 14)	—	—	(672)	—	(672)
Adjustment to decommissioning estimate (note 16)	—	—	8,156	—	8,156
Depreciation, depletion and amortisation charge for year	(1,270)	(151)	(14,914)	—	(16,335)
Translation difference	71	33	1,111	—	1,215
Closing net book amount at 31st December 2014	**4,974**	**2,334**	**78,347**	**—**	**85,655**
At 31st December 2014					
Cost	12,260	3,125	275,284	336	291,005
Accumulated depreciation, depletion, amortisation and impairment	(7,357)	(824)	(198,048)	(336)	(206,565)
Translation difference	71	33	1,111	—	1,215
Closing net book amount	**4,974**	**2,334**	**79,347**	**—**	**85,655**
Year ended 31st December 2013					
Opening net book amount at 1st January 2013	2,071	1,541	61,102	6	64,720
Acquisition (note 27)	911	197	70,525	—	71,633
Additions	4,203	1,185	51,348	—	56,736
Well Abandonment	—	—	(1,624)	—	(1,624)
Impairment (note 29)	—	—	(3,468)	—	(3,468)
Adjustment to decommissioning estimate (note 16)	—	—	3,179	—	3,179
Depreciation, depletion and amortisation charge for year	(944)	(342)	(11,919)	(6)	(13,211)
Translation difference	(108)	(23)	(242)	—	(373)
Closing net book amount at 31st December 2013	**6,133**	**2,558**	**168,901**	**—**	**177,592**
At 31st December 2013					
Cost	12,220	3,231	255,793	336	271,580
Accumulated depreciation, depletion, amortisation and impairment	(5,979)	(650)	(86,650)	(336)	(93,615)
Translation difference	(108)	(23)	(242)	—	(373)
Closing net book amount	**6,133**	**2,558**	**168,901**	**—**	**177,592**

[1] An impairment loss of $96.2 million was recognised in respect of several CGU's, (see note 3 (g), (2013: $3.5 million) as a result of a sharp fall in oil prices combined with a downward revision in 2P reserve estimates. The recoverable amount was determined by estimating its fair value less cost to sell. In calculating this impairment, management used a production profile based on proven and probable reserves estimates and a range of assumptions, including third party oil price assumptions and a discount rate assumption of 10 per cent (2013: 10 per cent).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. INTANGIBLE ASSETS

The carrying amounts and changes in the year are as follows:

	Exploration and evaluation assets $'000	Goodwill $'000	Total $'000
At 1st January 2014	59,002	—	59,002
Additions	4,969	—	4,969
Exploration cost write-off	(14,929)	—	(14,929)
Impairment (note 29)	(23,484)	—	(23,484)
Translation difference	118	—	118
At 31st December 2014	**25,676**	**—**	**25,676**
At 1st January, 2013	—	7,856	7,856
Acquisition (note 27)	23,606	—	23,606
Additions	35,396	—	35,396
Impairment (note 29)	—	(7,786)	(7,786)
Translation difference	—	(70)	(70)
At 31st December 2013	**59,002**	**—**	**59,002**

The carrying amount of Goodwill arose on the business combination with Oilbelt Holdings Limited. The entire goodwill balance has been allocated to the WD 5/6 block which is considered to be one CGU, cash generating unit. Management re-evaluated the reserve estimate for all CGU's at the end of 2013 the results of this report indicated a downward revision in the reserves estimate of the WD 5/6 onshore block which triggered an impairment assessment realising an impairment loss of $10.4 million. The impairment loss was taken against the full amount of goodwill with the remaining $2.6 million charge attributable to Oil & Gas assets within the overall property, plant & equipment impairment (note 5).

The exploration cost write-off relates to the El Dorado-1 exploration well which was deemed unsuccessful as the reserves encountered were not commercial and the well permanently plugged and abandoned at a cost of $14.9 million.

An impairment loss of $23.5 million was recognised in 2014 following an impairment review on the carrying value of exploration and evaluation assets which included:

EG-8: the EG-8 exploration well was drilled in 2012 on north-east Galeota and suspended as an oil and gas discovery. A technical study performed in 2014 indicated that the reserves encountered were not commercial and cannot justify the cost of developing either the gas or the oil resources encountered. This led to the impairment of the costs $22.6 million to exceptional items on the Statement of Comprehensive Income.

South Africa: costs of $0.9 million have been written off on the basis that TEP Plc has no further exploration or evaluation activities planned or budgeted for this licence and are in process of relinquishing the licence for strategic reasons.

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Due after more than one year				
Amounts due from Group companies	**–**	–	**10,106**	160,760
Due within one year				
Trade receivables	**3,882**	12,637	**–**	–
Less: provision for impairment of trade receivables	**–**	–	**–**	–
Trade receivables – net	**3,882**	12,637		
Prepayments	**3,986**	1,906	**79**	134
VAT recoverable	**12,144**	20,653	**1,027**	873
Other receivables	**1,978**	1,529	**–**	–
Short term loan receivable	**–**	–	**–**	–
Receivables from related parties (note 23 (d))	**–**	78	**–**	–
	21,990	36,803	**1,106**	1,007

The Company provides funding to other Group companies.

The fair value of trade and other receivables approximate their carrying amounts.

At 31st December 2014, trade receivables of $3.9 million (2013: $12.6 million) were fully performing. Trade receivables that are less than three months past due are not considered impaired. At 31st December 2014, no trade receivables (2013: nil) were impaired and provided for.

Ageing analysis of these trade receivables is as follows:

	2014 $'000	2013 $'000
Up to 3 months	**3,882**	12,637
	3,882	12,637

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	2014 $'000	2013 $'000
US Dollar	**3,606**	6,548
British £	**1,562**	873
Trinidad & Tobago Dollar	**16,822**	29,382
	21,990	36,803

The maximum exposure to credit risk at the reporting date is the value of each class of receivable as shown above. The Group does not hold any collateral as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about the counterparty default rates:

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Trade receivables				
Counterparties without external credit rating:				
Existing customers (more than 6 months) with no defaults in the past	**3,882**	12,637	**–**	–
All trade receivables are with the Group's only customer, Petrotrin.				

8. INVENTORIES

	2014 $'000	2013 $'000
Crude oil	**346**	435
Materials and supplies	**11,563**	11,594
	11,909	12,029

The cost of inventories recognised as an expense and included in operating expenses amounted to $0.3 million (2013: $1.2 million).

9. TAXATION RECOVERABLE/(PAYABLE)

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Taxation recoverable				
Production Petroleum Tax (PPT)/Unemployment Levy (UL)	**548**	528	**–**	–
Taxation payable				
Production Petroleum Tax (PPT)/Unemployment Levy (UL)	**(1,596)**	(313)	**–**	–
Corporation Tax	**(1,883)**	–	**(1,160)**	–
Supplemental Petroleum Tax (SPT)	**(15,002)**	(3,778)	**–**	–
	(18,481)	(4,091)	**(1,160)**	–

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Cash and cash equivalents	**33,084**	25,145	**10**	4,189
	33,084	25,145	**10**	4,189

Included within cash and cash equivalents are $2.8 million restricted cash which have been put aside in escrow for abandonment and environmental liabilities in accordance with contractual obligations to be used any time during the existence of the contract.

11. SHARE CAPITAL AND SHARE PREMIUM

	Number of shares No.	Ordinary shares $'000	Share premium $'000	Total $'000
As at 1st January 2014	94,799,986	94,800	116,395	211,195
Movement	—	—	—	—
As at 31st December 2014	**94,799,986**	**94,800**	**116,395**	**211,195**
As at 1st January 2013	34,182	34	17,550	17,584
Shares issued to previous equity holders of TEPL	25,617,859	25,618	(17,550)	8,068
Legacy Bayfield share capital	21,647,945	21,648	80,817	102,465
Share placing	47,500,000	47,500	41,523	89,023
Cost of equity	—	—	(5,945)	(5,945)
As at 31st December 2013	**94,799,986**	**94,800**	**116,395**	**211,195**

On 14th February 2013 TEPL acquired Bayfield through a reverse acquisition. Bayfield issued 25,652,041 ordinary shares to the shareholders of TEPL which gave a 55 per cent controlling interest in the combined entity. Bayfield changed its name to TEP Plc. On the same date a total of 47,500,000 shares were issued at £1.20 and the Company was readmitted to AIM (note 27). The associated cost of the share placing was $5.9 million.

12. SHARE WARRANTS

The Group's policy with respect to equity-settled share-based payment transactions is to measure the value of the good or service received with the corresponding increase in equity at the fair value of the services received. If the Group cannot estimate reliably the fair value of the good or services received it then shall measure their value and the corresponding increase in equity indirectly by reference to the fair value of the equity instrument.

	2014 $'000	2013 $'000
Issued		
Oriel Securities Limited	**71**	71
	71	71

Oriel Securities Limited warrants

Oriel Securities Limited ('Oriel') was appointed to assist TEPL in introducing potential subscribers for private placing of new ordinary shares in 2011 (the 'Placing'). In consideration for the services under the engagement, and subject to receipt of the gross proceeds as a result of the Placing, TEP Plc and Oriel agreed a fee in cash to the value of $150,000.

In addition to the fees above, Oriel was granted an option by TEPL over shares equivalent in value to 0.25 per cent (one quarter of one per cent) of the value of TEPL following the Placing, such option to be exercisable at the share price at which the new funds were raised in the Placing. The option can be exercised between the 1st and 5th anniversary of the option being granted or if later on the 1st anniversary of any flotation.

The Group recognised the warrants in the financial year by estimating the services received at fair value at the date of the transaction. In arriving at the fair value of the services received an estimate was received from Oriel indicating that the cost of the service had no warrant been included would have been 1.5 per cent of the Placing. As the cost is associated with the raising of capital, this expense has been recognised as a deduction from share premium.

Following the acquisition on 14th February 2013 Oriel has confirmed that it does not intend to exercise its 83 TEP Plc Warrants; Oriel shall hold warrants over 62,027 shares with an exercise price of $5.60 per share (based on the same conversion ratio of 747.8 new shares).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. MERGER AND REVERSE ACQUISITION RESERVES

	Reverse Acquisition Reserve $'000	Merger Reserve $'000	Total $'000
At 1st January 2014	(89,268)	74,808	(14,460)
Translation differences	**–**	**659**	**659**
At 31st December 2014	**(89,268)**	**75,467**	**(13,801)**
At 1st January 2013	–	52,853	52,853
Acquisition (note 27)	–	22,353	22,353
Movement	(89,221)	–	(89,221)
Translation differences	(47)	(398)	(445)
At 31st December 2013	**(89,268)**	**74,808**	**(14,460)**

The issue of shares by the Company as part of the reverse acquisition met the criteria for merger relief such that no share premium was recorded. As allowed under the UK Companies Act 2006 and required by IAS 27 ('Consolidated and separate financial statements'), a merger reserve equal to the difference between the fair value of the shares acquired by the Company and the aggregation of the nominal value of the shares issued by the Company has been recorded.

The insertion of the Company as the new parent to the Group has been accounted for using business combination accounting as described in note 1. The reverse acquisition difference recorded in the consolidated financial statements represents the difference in accounting for reverse acquisition transactions. A detailed summary of the business combination and financial implication of this is provided within note 27.

14. NON-CURRENT ASSETS HELD FOR SALE

The assets relating to TEP Plc's lease operatorship block WD 16 and farmout block Tabaquite owned and operated by its indirect subsidiaries Oilbelt Services Limited and Trinity Exploration and Production (Trinidad and Tobago) Limited have been presented as held for sale following approval of management and Board of Directors in 2014 to sell. The completion date for the transaction is expected in 2015.

(a) Net Book Value of assets of the disposal Group classified as held for sale

	2014 $'000	2013 $'000
Property, plant and equipment:		
WD 16 block	**104**	–
Tabaquite block	**568**	–
	672	–

15. BORROWINGS

	2014 $'000	2013 $'000
Non-current portion:		
Citibank (Trinidad & Tobago) Limited	**–**	11,910
Total	**–**	11,910
Current portion:		
Citibank (Trinidad & Tobago) Limited	**33,000**	3,989
Total	**33,000**	3,989

Drawn Loan Facilities

Citibank (Trinidad & Tobago) Limited Loan 1

The key terms of the loan are as follows:

- Principal amount $20.0 million
- Interest rate is set at three month US LIBOR plus 600 basis points per annum
- Debenture over the fixed and floating assets of Trinity Exploration and Production (Trinidad and Tobago) Limited and its subsidiaries.
- Principal repayment in equal quarterly instalments commencing on 20th March 2013 and ending on 20th December 2017
- Interest payable monthly in arrears commencing on 20th March 2013

Citibank (Trinidad & Tobago) Limited Loan 2

The Group negotiated a floating rate medium term facility on 17th August 2013 of $25.0 million with Citibank (Trinidad & Tobago) Limited 'Citibank' which at 31st December 2014 was fully drawndown.

The key terms of the loan are as follows:

- Principal amount $25.0 million. Initial drawdown on 22nd January 2014 of $5.0 million and a second drawdown of $20.0 million on 4th August 2014
- Interest rate is set at three month US LIBOR plus 575 basis points per annum. The negotiated principal repayments in two initial quarterly instalments of 16.0 per cent following 6.5 per cent to 7.0 per cent quarterly instalments commencing on 21st November 2014 and ending on 21st August 2017
- A $20.0 million repayment of the loan was made in first quarter 2015

Financial covenants applicable to each of the above facilities are:

- Minimum debt service coverage 1.4:1
- Maximum total debt to EBITDA-Operating taxes 2.75:1
- Minimum EBITDA-Operating taxes to Interest Expense 1.5:1

The carrying value of borrowings is not materially different from their fair value. At the end of 2014, TEP Plc was not in compliance with the debt service coverage ratio (the minimum requirement being 1.4:1, however the actual ratio was c. 1.0:1). The entire borrowings in 2014 have been classified as current due to the breach of the debt service coverage ratio. This breach was disclosed to Citibank, and TEP Plc was required to repay $20.0 million on the 6th February, 2015. Subsequently, a six month moratorium on repayment of the remaining principal has been agreed until 15th June 2015.

Analysis of net debt

	At 1st January 2014 $'000	Cash flow $'000	At 31st December 2014 $'000
Cash and cash equivalents	25,145	7,939	33,084
Financial liabilities–borrowings current	(3,989)	(18,611)	(22,600)
Financial liabilities–borrowings non-current	(11,910)	1,510	(10,400)
	9,246	**(9,162)**	**84**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. PROVISIONS AND OTHER LIABILITIES

	Potential Claim $'000	Decommissioning cost $'000	Total $'000
Year ended 31st December 2014			
Opening amount as at 1st January 2014	—	29,027	29,027
Adjustment to estimates (note 5)	—	8,156	8,156
Record potential claim	1,270	—	1,270
Unwinding of discount (note 20)	—	1,167	1,167
Translation differences	—	155	155
Closing balance at 31st December 2014	**1,270**	**38,505**	**39,775**
Year ended 31st December 2013			
Opening amount as at 1st January 2013	—	9,891	9,891
Acquisition (note 27)	—	14,869	14,869
Adjustment to estimates (note 5)	—	3,179	3,179
Unwinding of discount (note 20)	—	1,178	1,178
Translation differences	—	(90)	(90)
Closing balance at 31st December 2013	**—**	**29,027**	**29,027**

Potential claim

The amounts represent a provision for a potential claim against a subsidiary of the Group by a supplier of services in the oil and gas industry. The charge is recognised in the statement of comprehensive income within 'exceptional items'. In management's opinion these claims will not give rise to any significant losses beyond the amounts provided at 31st December, 2014. The potential claim is anticipated to be settled no later than September 2016.

Decommissioning cost

The Group operates Oil and Gas fields and this cost represents an estimate of the amounts required for abandonment of the Group's wells, platforms and pipeline infrastructures. The amounts are calculated based on the provisions of existing contractual agreements with Petrotrin. Furthermore, liabilities for decommissioning costs are recognised when the Group has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that liability can be made. An obligation for decommissioning may also crystallise during the period of operation of a facility through a change in legislation or through a decision to terminate operations.

The amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding item of property, plant and equipment of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the facility or item of plant. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the corresponding property, plant and equipment. Some of the key assumptions made in the present value decommissioning calculation include the following:

a) Core inflation rate – 3 per cent (2013: 3 per cent)

b) Risk free rate – 3.9 per cent (2013: 3.9 per cent)

c) Estimated market value/decommissioning cost

d) Estimated life of each asset

See note 3(b) for the rates used and sensitivity analysis.

Adjustment to estimates

The Group makes provision for the cost of decommissioning its oil and gas infrastructure at the completion of their useful lives. Decommissioning is estimated to be required in various fields during 2024-2036. In the current year there was an increase in the provision mainly due to a revision of assumptions used in determining the estimated cost to decommission the Group's oil and gas platform facilities of $1.5 million and finalisation of the decommissioning terms in the PGB block of $6.9 million. There has been a corresponding increase in the carrying amount of property plant and equipment (note 5). A study is being done on the estimated cost to decommission the Group's tank farm facilities which are not included in the current provision.

17. DEFERRED INCOME TAXATION

Group

The analysis of deferred tax assets is as follows:

	2014 $'000	2013 $'000
Deferred tax assets:		
—Deferred tax assets to be recovered in more than 12 months	**(27,630)**	(51,988)
—Deferred tax assets to be recovered in less than 12 months	**–**	(12,705)
Deferred tax liabilities:		
—Deferred tax liabilities to be settled in more than 12 months	**–**	37,403
—Deferred tax liabilities to be settled in less than 12 months	**3,778**	8,984
Net deferred tax asset	**(23,852)**	(18,306)

The movement on the deferred income tax is as follows:

	2014 $'000	2013 $'000
At beginning of year	**(18,306)**	5,267
Deferred tax assumed on acquisition	**–**	(18,606)
Deferred tax on fair value uplift arising from acquisition	**–**	2,746
Movement for the year	**3,849**	(5,412)
Unwinding of deferred tax on fair value uplift	**(9,395)**	(2,247)
Translation differences	**–**	(54)
Net deferred tax asset	**(23,852)**	(18,306)

Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net. The deferred tax balances are analysed below:

	2012 $'000	Movement $'000	2013 $'000	Movement $'000	2014 $'000
Deferred tax assets					
Acquisition	(410)	(33,026)	(33,436)	–	(33,436)
Tax losses recognised	(13,377)	(17,880)	(31,257)	–	(31,257)
Tax losses derecognised	–	–	–	37,063	37,063
	(13,787)	**(50,906)**	**(64,693)**	**37,063**	**(27,630)**
Deferred tax liabilities					
Accelerated tax depreciation	2,364	12,414	14,778	–	14,778
Non-current asset impairment	–	–	–	(33,214)	(33,214)
Acquisitions	5,160	14,420	19,580	–	19,580
Fair value uplift	11,530	499	12,029	(9,395)	2,634
	19,054	**27,333**	**46,387**	**(42,609)**	**3,778**

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax assets of $37.1 million have been derecognised as recoverability is now considered, these continue to be available for realisation whenever future taxable profits are probable. The Group has unrecognised tax losses amounting to $118.3 million which have no expiry date. Deferred tax liabilities have reduced by $42.6 million as the carrying values of property, plant and equipment and intangible assets which gave rise to the temporary differences have been written down to their recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Trade payables	**16,712**	19,224	**26**	36
Accruals	**8,888**	37,170	**142**	92
VAT payable	**433**	2,289	**–**	–
Other payables	**1,778**	1,393	**–**	–
Amounts due to related parties (note 23 (d))	**5,563**	1,041	**979**	1,246
	33,374	61,117	**1,147**	1,374

19. OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS

	2014 $'000	2013 $'000
Operating profit before exceptional items is stated after taking the following items into account:		
Depreciation, depletion and amortisation (note 5)	**16,335**	13,211
Employee costs (note 26)	**12,781**	21,598
Abandonment (note 5)	**–**	1,624
Operating lease rentals	**3,122**	1,374
Inventory recognised as expense, charged to operating expenses	**262**	1,235

Auditors' remuneration

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's Auditor as detailed below:

	2014 $'000	2013 $'000
- Fees payable to the Company's auditors' and its associates for the audit of the parent Company and consolidated financial statements	**73**	73
- Fees payable to the Company's auditors' and its associates for other services: - The audit of Company's subsidiaries	**173**	167
- Audit related assurance services – interim review	**52**	50
- Reporting accountant work in respect of the merger and admission to trading on AIM	**–**	318
Total assurance	**298**	608
- Tax advisory	**–**	26
- Other advisory	**48**	216
Total auditors' remuneration	**346**	850

All fees are in respect of services provided by PricewaterhouseCoopers LLP 'PwC' with the majority in prior year relating to reporting accountants work during the merger of TEP Plc and Bayfield. The independence and objectivity of the external auditors is considered on a regular basis by the Audit Committee, with particular regard to the level of non-audit fees incurred.

20. FINANCE COSTS

	2014 $'000	2013 $'000
Decommissioning (note 16)	**1,167**	1,178
Interest on taxes	**2,134**	—
Interest on loans	**1,850**	1,179
	5,151	2,357

Interest on taxes $2.1 million (2013; nil) relate to interest accrued on late payment of corporation tax, supplemental petroleum taxes and petroleum profits taxes for 2014.

21. INCOME TAX EXPENSE

	2014 $'000	2013 $'000
Current tax		
- Current year		
Petroleum profits tax	**1,075**	5,821
Corporation tax	**2,182**	926
Supplemental petroleum tax	**14,931**	10,393
Deferred tax		
— Current year		
Movement in asset due to tax losses (note 17)	**37,063**	(17,880)
Movement in liability due to accelerated tax depreciation (note 17)	**(33,214)**	12,414
Unwinding of deferred tax on fair value uplift	**(9,396)**	(2,247)
Translation difference	**16**	54
Income tax expense	**12,657**	9,481

The Group's effective tax rate varies from the statutory rate for UK companies of 21.50 per cent as a result of the differences shown below:

	2014 $'000	2013 $'000
(Loss) /Profit before taxation	**(128,788)**	48,036
Tax charge at expected rate of 21.50 per cent (2013: 23.25 per cent)	**(27,677)**	11,168
Effects of:		
Higher overseas tax rate	**(43,157)**	15,372
Profits not subject to tax	**—**	(32,276)
Disallowable expenses	**123,498**	11,772
Deferred tax asset not recognised	**5,517**	20
Tax loss generated not recognised	**3,562**	915
Tax losses utilised	**8,111**	—
Tax losses previously recognised	**(64,693)**	(626)
Supplemental petroleum tax	**7,508**	3,110
Green fund levy	**83**	178
Other differences	**(95)**	(152)
Tax charge	**12,657**	9,481

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Taxation losses as at 31st December, 2014 available for set off against future taxable profits amount to approximately $171.3 million (2013: $127.0 million), with tax losses recognised of $52.9 million. The Finance Act 2013 reduced the UK Corporation tax rate from 23 per cent to 21 per cent with effect from 1st April 2014. A further reduction to the UK tax rate was announced to reduce the rate from 21 per cent to 20 per cent with effect from 1st April 2015. This reduction had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

22. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 $'000	2013 $'000
Opening balance	**94,401**	46,085
Additions	**—**	48,076
Capital contribution relating to share based payment	**212**	240
Impairment	**(50,100)**	—
Closing balance	**44,513**	94,401

The investment in Group undertakings is recorded at cost which is the fair value of the consideration paid. An impairment loss of $50.1 million was recognised on the investment in subsidiary as a result of property plant and equipment impairments recognised in the operating subsidiaries of the Group due to a sharp fall in oil prices and a downgrade in reserve estimates of certain fields (see note 5).

During 2014 Bayfield Energy New Ventures Limited a subsidiary of Bayfield Energy Limited was wound up.

In December 2014 the Group restructured its Trinidadian subsidiaries with the aim of reducing the administrative costs associated with the operations of several individual subsidiaries. On 15th December 2014 a vertical amalgamation was done with Antilles Resources Limited, NAKT Company Limited, Pioneer Petroleum Company Limited, Lennox Production Services Limited and Ten Degrees North Operating Company Limited 'TDNOCL'. The surviving entity following the vertical amalgamation was TDNOCL.

On 31st December 2014 a horizontal amalgamation was done between TDNOCL and Oilbelt Service Limited 'OSL' and the surviving entity following the restructuring was OSL, which holds the Group's onshore and west coast fields.

On 20th November 2014 Bayfield Energy (St Lucia) Limited was dissolved.

During 2013 Astrakhanskaya Gas and Oil Company (AGOC), a subsidiary of Trinity Exploration & Production plc which held an interest in the Karalatsky licence was wound up. The winding up of this entity was completed on 5th September 2013.

Listing of Subsidiaries

The Group's principal subsidiaries at 31st December, 2014 are listed below:

Name	Country of Incorporation	Nature of Business	Proportion of ordinary shares held by the Group (%)
Bayfield Energy Limited	UK	Holding Company	100 per cent
Trinity Exploration & Production (UK) Limited	UK	Holding Company	100 per cent
Trinity Exploration and Production Services (UK) Limited	UK	Service Company	100 per cent
Bayfield Energy (Alpha) Limited	UK	Holding Company	100 per cent
Trinity Exploration and Production (Pletmos) Limited	UK	Oil and Gas	100 per cent
Bayfield Energy de Brasil Ltda	Brazil	Dormant	100 per cent
Trinity Exploration & Production (Barbados) Limited	Barbados	Holding Company	100 per cent
Trinity Exploration and Production (Trinidad and Tobago) Limited	Trinidad & Tobago	Holding Company	100 per cent
Galeota Oilfield Services Limited	Trinidad & Tobago	Oil and Gas	100 per cent
Trinity Exploration and Production (Galeota) Limited	Trinidad & Tobago	Oil and Gas	100 per cent
Oilbelt Services Limited	Trinidad & Tobago	Oil and Gas	100 per cent
Coastline International Inc.	Trinidad & Tobago	Oil and Gas	100 per cent
Ligo Ven Resources Limited	Trinidad & Tobago	Oil and Gas	100 per cent
Trinity Exploration and Production Services Limited	Trinidad & Tobago	Service Company	100 per cent
Tabaquite Exploration & Production Company Limited	Trinidad & Tobago	Oil and Gas	100 per cent
Trinity Exploration and Production (GOP) Limited	Trinidad & Tobago	Oil and Gas	100 per cent
Trinity Exploration and Production (GOP-1B) Limited	Trinidad & Tobago	Oil and Gas	100 per cent

23. RELATED PARTY TRANSACTIONS

Group

The following transactions were carried out with the Group's subsidiaries and related parties. These transactions comprise sales and purchases of goods and services and funding provided in the ordinary course of business. The following are the major transactions and balances with related parties:

(a) Sales of services and loans issued to subsidiaries

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Related party:				
Well Services Petroleum Company Limited	142	—	—	—
Group subsidiaries:				
Bayfield Energy Limited – loan	—	—	(89,840)	—
Bayfield Energy Alpha – loan	—	—	(535)	—
Trinity Exploration and Production Services (UK) Limited – loan	—	—	(62)	9,513
Trinity Exploration and Production (Galeota) Limited – loan	—	—	(71,194)	65,400
	142	—	(161,631)	74,913

Related party sales transactions and loans issued to subsidiaries are exchanged at arm's length and are comparable to terms that would be available to third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(b) Purchases of services

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Purchases of services:				
Related party:				
Bayfield Energy Limited	**–**	–	**–**	5
Blanket Security Limited	**794**	866	**–**	–
Rigtech Services Limited	**589**	996	**–**	–
Well Services Petroleum Company Limited	**9,265**	9,875	**–**	–
Trinity Lift Boat Services Limited	**52**	–	**–**	–
Group subsidiaries:				
Trinity Exploration and Production Services (UK) Limited	**–**	–	**(267)**	–
	10,700	11,737	**(267)**	5

Goods and services are bought from entities controlled by certain Non-Executive Director Charles Anthony Brash Junior on normal commercial terms and conditions, with the majority coming from the Well Services Group, which includes; Blanket Securities Limited, Rigtech Services Limited, Well Services Petroleum Company Limited, Trinity Lift Boat Services Limited and Trinity Infrastructure Construction Limited.

(c) Key management and Directors' compensation

Key management includes Directors' (executive and non-executive), the Chief Operating Officer and Chief Financial Officer. The compensation paid or payable to key management for employee services is shown below:

	Group	
	2014 $'000	2013 $'000
Salaries and short-term employee benefits	**1,958**	2,469
Post-employment benefits	**137**	53
Share-based payment (note 28)	**217**	2,590
	2,312	5,112

(d) Year-end balances arising from sales/purchases of services

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Receivables from related parties:				
Well Services Petroleum Company Limited	**–**	78	**–**	–
Bayfield Energy Limited – loan	**–**	–	**–**	84,659
Trinity Exploration and Production (Galeota) Limited	**–**	–	**655**	66,057
Trinity Exploration and Production Services (UK) Limited	**–**	–	**9,451**	9,513
Bayfield Energy Alpha	**–**	–	**–**	531
	–	78	**10,106**	160,760
Payables to related parties:				
Blanket Securities Limited	**431**	164	**–**	–
Rigtech Services Limited	**328**	238	**–**	–
Well Services Petroleum Company Limited	**4,804**	639	**–**	–
Trinity Exploration and Production Services (UK) Limited	**–**	–	**4**	4
Trinity Exploration & Production (UK) Limited	**–**	–	**975**	1,242
	5,563	1,041	**979**	1,246

Post the year end the Group has endeavoured to reduce the payables due to related parties through an exchange of casing and tubing see note 31. Subsequent to this the related party Well Services Petroleum Company Limited has brought a legal claim against a subsidiary of the Group to recover the balance owed of $2.5 million.

Company
Loans to subsidiaries

At the end of 2014 an impairment review on the Company's loan receivables was carried out by comparing the carrying value of the loans to subsidiaries against their recoverable amount. From the borrowers perspective the subsidiaries have been forgiven by TEP plc and the obligation extinguished. The following are the loan receivable debt forgiven by TEP plc:

	Company	
	2014 $'000	2013 $'000
Trinity Exploration and Production (Galeota) Limited	**71,194**	–
Bayfield Energy Limited	**89,840**	–
Bayfield Energy Alpha Limited	**535**	–
	161,569	–

Group and Company

The receivables from related parties arise mainly from sale transactions and are due two months after the date of sales. The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties (2013: nil).

The payables to related parties arise mainly from purchase transactions and are due two months after the date of purchase. The payables bear no interest.

(e) Loans from related parties

There are no loans from related parties

24. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Trade and other receivables – non current	**–**	–	**10,106**	160,760
Trade and other receivables – current	**21,990**	36,803	**1,106**	1,007
Cash and cash equivalents	**33,084**	25,145	**10**	4,189
	55,074	61,948	**11,222**	165,956

The only category of financial assets held by the Group is loans and receivables. There are no assets held at fair value through profit or loss, derivatives used for hedging and available-for-sale financial instruments.

	Group		Company	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000
Borrowings	**33,000**	15,899	**–**	–
Amounts due to related party	**–**	–	**979**	1,246
Accounts payable and accruals	**33,374**	61,117	**168**	128
	66,374	77,016	**1,147**	1,374

The only category of financial liabilities held by the Group is liabilities at amortised cost. There are no liabilities held at fair value through profit or loss and derivatives used for hedging.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. COMMITMENTS AND CONTINGENCIES

Commitments

There are commitments for decommissioning costs of the wells and facilities under the Group's agreements with Petrotrin, which have been provided for as described in note 16.

The Group leases vehicles, offices and copiers under cancellable operating lease agreements. The lease terms are between 1 and 5 years, and the majority of lease agreements are renewable at the end of the lease period. The lease expenditure charged to the income statement during the year is as follows:

	Group	
	2014 $'000	2013 $'000
Not later than 1 year	**529**	442
Later than 1 year and no later than 5 years	**2,593**	932
	3,122	1,374

Contingent Liabilities

i. One of the subsidiaries has received an assessment from the tax authority of Trinidad and Tobago namely, the Board of Inland Revenue (BIR), in respect of Petroleum Profits Tax. The subsidiary has filed a notice of objection with the BIR and until the matters are determined, the assessments raised are not considered final. No material unrecorded liabilities are expected to crystallise and accordingly no provision has been made in these financial statements.

ii. A subsidiary Company is a defendant in certain legal proceedings. A claim was made against the subsidiary by Mora Ven Holdings limited. The claim being made was that the subsidiary bought the shares of Ligo Ven Resources Limited, a fellow subsidiary, at gross under-value. Management, after taking appropriate professional advice, is of the view that no material liabilities will crystallise and accordingly no provision has been made in the financial statements for any potential liabilities.

iii. Parent Company guarantees:

  a) A Letter of Guarantee has been established over the Point Ligoure-Guapo Bay-Brighton Block where a subsidiary of TEP Plc is obliged to carry out a Minimum Work Programme to the value of $8.4 million.

  b) A letter of Guarantee is in place with Citibank (Trinidad & Tobago) Limited for the full $25.0 million loan facility should there be a default. There was a default at the end of 2014 and a repayment of $20.0 million was made in 2015. Further disclosure is made in note 15.

iv. The Group has certain liabilities in respect of entering a rig share agreement for the Rowan Gorilla III which it used to drill the TGAL-1 well. The agreement was made amongst four parties and the liabilities are joint and several. The liabilities cannot be presently quantified and no estimates have been included in the financial statements. The Group has incurred in 2014 $0.1 million of this liability and does not expect that these liabilities will be material.

v. The Group has certain decommissioning provisions in respect of the tank farm infrastructure in its Brighton Marine and Trintes fields, these have not been provided for, as an estimate of the provision cannot presently be quantified. A study is being undertaken to determine an appropriate cost.

vi. The group is party to various claims and actions. Management have considered the matters and where appropriate has obtained external legal advice. No material additional liabilities are expected to arise in connection with these matters, other than those already provided for.

26. EMPLOYEE COSTS

Employee costs for the Group during the year	**2014 $'000**	2013 $'000
Wages and salaries	**11,982**	16,484
Other pension costs	**636**	393
Share based payment expense (note 28)	**163**	4,721
	12,781	21,598

Average monthly number of people (including executive and non-executive Directors') employed by the Group

	2014 Number	2013 Number
Executive and non-executive Directors	**7**	7
Administrative staff	**179**	138
Operational staff	**120**	140
	306	285

27. BUSINESS COMBINATION

There were no business combination transactions during 2014. The summary below relates to the 2013 financial year end.

(a) Summary of acquisition

On 14th February, 2013, Trinity Exploration & Production (UK) Limited (formerly Trinity Exploration & Production Limited) (TEPL) acquired Bayfield Energy Holdings plc (Bayfield) by way of a reverse acquisition.

Whilst Bayfield became the legal parent of the Group on that date, the shareholders of TEPL obtained control of Bayfield and the transaction was deemed a reverse acquisition. In order to execute the transaction Bayfield issued 25,652,041 ordinary shares, representing 55 per cent of its share capital, to the shareholders of TEPL in exchange for 100 per cent (34,182 shares) of the share capital of TEPL. Bayfield changed its name to Trinity Exploration & Production Plc and was readmitted to trading on AIM on 14th February, 2013.

The acquisition represented a strategic fit for TEPL as it has allowed TEPL to acquire production and reserves in a hydrocarbon basin which it previously had no exposure to whilst simultaneously providing an opportunity to recapitalize the Company through the issue of new shares.

Details of the fair value of the assets and liabilities acquired are as follows:

	$'000
Purchase consideration (refer to b)	40,525
Fair value of net identifiable assets acquired (refer to c)	92,595
Negative goodwill (refer to c)	(52,070)

b) Purchase consideration

The purchase consideration is calculated as the fair value of all equity instruments of Bayfield (21,647,945 ordinary shares) prior to the acquisition, based on a share price of £1.20 which was the value of placing shares traded on the day of the admission and the acquisition being unconditional. An exchange rate of USD: £ is used, being $1.56 on the date of the acquisition.

c) Assets and liabilities acquired

Recognised amounts of identified assets acquired and liabilities assumed:

	$'000
Cash and cash equivalents	6,529
Trade and other receivables (note 7)	10,735
Inventories (note 8)	8,224
Deferred tax asset (note 17)	18,606
Exploration and evaluation assets (note 6)	23,606
Property, plant and equipment (note 5)	71,633
Trade and other payables (note 18)	(31,869)
Decommissioning liability (note 16)	(14,869)
Fair Value of Net assets	**92,595**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

At the acquisition date, all contractual cash flows are expected to be collected. The decommissioning liability was increased by $8.9 million and is in respect of decommissioning of wells and platform which is expected at the end of the field life when production ceases. An impairment loss of $11.1 million was recognised on exploration and evaluation assets in respect of costs which did not relate to exploration and evaluation activity with a further reallocation of $1.9 million to property, plant and equipment. There was an impairment of $1.0 million within property, plant and equipment for a rig which was in a state of disrepair and unusable at the acquisition date.

In undertaking the acquisition, costs of $2.3 million were incurred and have been expensed to the consolidated statement of comprehensive income as an exceptional item (note 29).

The acquisition of Bayfield by TEPL resulted in a gain or bargain purchase as defined within IFRS 3, specifically paragraphs 32 and 34. The reason that the net assets acquired was greater than the consideration transferred was due to the Bayfield Group experiencing liquidity issues and from a going concern perspective the Group was distressed. This was the result of lower than expected cash flows as the underlying production growth was slower than expected and an inability to secure any additional funding. This eventually led to the Bayfield Group agreeing to be acquired by TEPL. The negative goodwill recognised represents that gain where the aggregate fair value of the identifiable assets and liabilities at the acquisition date exceeded the fair value of the consideration transferred. In accordance with IFRS, the gain has been recognised immediately within the consolidated statement of comprehensive income as an exceptional item (note 29).

Since the acquisition date, revenue of $34.9 million and loss of $1.2 million have been included in the consolidated statement of comprehensive income in respect of Bayfield Energy Holdings plc. If the acquisition had occurred on 1st January 2013, the combined Group would report additional revenue of $4.5 million and loss of $15.8 million for the period.

28. SHARE BASED PAYMENTS

During 2014 the Group had in place two share-based payment arrangements for its employees and Directors, the Share Option Plan and the Long Term Incentive Plan ('LTIP'). The charge in relation to these arrangements is shown below, with further details of each scheme following:

	2014 $'000	2013 $'000
Share based payment expense:		
Accelerated share option charge	**–**	4,708
Share option expense	**21**	187
Legacy share options adjustment	**–**	(262)
Long term incentive plan	**142**	88
	163	4,721

Share Option Plan

Share options are granted to Directors and to selected employees. The exercise price of the granted option is equal to management's best estimate of the market price of the shares at the time of the award of the options. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

At 31st December 2012 TEPL had 3,638 share options outstanding. On 14th February, 2013 following the completion of the acquisition, 120 of the 3,638 share options were exercised. The remaining 3,518 share options were surrendered in return for the grant by TEP Plc of new options. 747.8 new ordinary shares were issued for each TEPL share over which TEPL options were held. These options were treated as a modification to the original share option scheme. The modification did not increase the fair value of the equity instruments granted, measured immediately before and after the modification, as a result there was no incremental fair value. At the point of acquisition Bayfield had 4,447,546 share options, following completion of the acquisition and share consolidation, the newly combined Group share options outstanding of:

a) Legacy Bayfield - 444,754 share options

b) Legacy TEPL - 2,630,759 share options

On 29th May 2013 the Group issued 1,275,660 options at an exercise price of £1.20 per option to certain employees. These options were valued at grant date using a Black-Scholes option pricing model. During 2014 certain employees who had share options departed forfeiting their options.

Movement in the number of options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Average exercise price per share	**Number of Options**	Average exercise price per share	Number of Options
At 1st January	**£1.14**	**4,256,419**	USD1,394	3,638
Acquired 14th February	**—**	**—**	£2.25	444,754
Granted 14th February	**—**	**—**	£0.99	2,630,759
Granted 29th May	**—**	**—**	£ 1.20	1,275,660
Exercised 14th February	**—**	**—**	USD(1,000)	(120)
Surrendered	**—**	**—**	USD(1,407)	(3,518)
Lapsed	**—**	**—**	£(2.57)	(94,754)
Forfeited	**£(1.15)**	**(385,000)**	—	—
At 31st December	**£1.01**	**3,871,419**	£1.14	4,256,419

Share Options outstanding at the end of the year have the following expiry date and exercise prices:

		2014		2013	
Grant-Vest	**Expiry Date**	**Exercise price per share options**	**Number of Options**	Exercise price per share options	Number of Options
2011-15	2015	**£1.61**	**350,000**	£1.61	350,000
2012-15	2022	**£0.86**	**2,238,164**	£0.86	2,294,249
2012-15	2022	**£0.86**	**336,510**	£0.86	336,510
2013-16	2023	**£1.20**	**946,745**	£1.20	1,275,660
			3,871,419		4,256,419

The inputs into the Black-Scholes model for options granted during the period are as follows:

	29 May 2013	**14 February 2013**
Share price	£1.19	£1.20
Average Exercise price	£1.20	£0.89
Expected volatility	55%	78%
Risk-free rates	4.5%	4.5%
Expected dividend yields	0%	0%
Vesting period	3 years	3 years

Long Term Incentive Plan

On 14th February 2013 following the completion of the acquisition 108,712 Bayfield LTIP's were outstanding. These LTIP Awards are conditional awards of Existing Unconsolidated Ordinary Shares and vest three years from the date of grant, subject to the satisfaction of certain performance conditions (based on the growth in the Company's total shareholder return). No payment is required on vesting and there is no accelerated vesting arising as a result of the Merger.

On 1st July 2013 739,440 LTIP Awards were granted by the Company to Senior Management Group (including the Executive Directors). The LTIP awards will be tested against two performance targets: stretching reserves growth and absolute returns targets (share price). Performance against these measures will be assessed based on performance to the end of the 2015 financial year and following announcement of the Company's audited financial results. Subject to the achievement of the performance targets all Options will be subject to a further holding period whereby Options will not vest until 1st January 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The measurement of growth in 2P Reserves is the aggregated total of all fields included in the Trinity Exploration & Production plc (formerly Bayfield Energy Holdings plc) and Trinity Exploration & Production (UK) Limited Group as recorded at financial year end 2012 which is 35.6 mmboe. Share price growth will be calculated from the price at which equity was raised at the point of the merger which was £1.20.

The conditions of the scheme are market and non-market based, and therefore the scheme is valued on the date of grant and amortised over the vesting period. The grants have been valued using a Monte Carlo simulation model.

Movements in the number of LTIPs outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Average exercise price per share	**Number of Options**	Average exercise price per share	Number of Options
At 1st January	**£0.00**	**848,152**	—	—
Acquired	**–**	**–**	£0.00	108,712
Granted	**–**	**–**	£0.00	739,440
Forfeited	**£0.00**	**(75,840)**	—	—
At 31st December	**£0.00**	**772,312**	£0.00	848,152

Inputs into the Monte Carlo Simulation Model for LTIPs granted during the period are as follows:

	1st July 2013
Share price	£1.06
Exercise price	£0.00
Expected volatility	55%
Risk-free rates	4.5%
Expected dividend yields	0%
Vesting period	3.5 years

29. EXCEPTIONAL ITEMS

Items that are material either because of their size or their nature, or that are non-recurring are considered as exceptional items and are presented within the line items to which they best relate. During the current period, exceptional items as detailed below have been included as exceptional expenses below operating profit in the Income Statement. An analysis of the amounts presented as exceptional items in these financial statements are highlighted below.

	31st December 2014 $'000	31st December 2013 $'000
Negative goodwill (note 27)	**–**	(52,070)
Goodwill	**–**	2,746
Business combination cost	**–**	2,254
Unrealised forex loss	**–**	2,342
Potential claim (note 16)	**1,270**	—
Impairment of property, plant and equipment (note 5)	**96,242**	3,468
Impairment of intangibles (note 6)	**23,484**	7,786
Share based payment expense (note 28)	**–**	4,708
Translation difference	**(57)**	—
	120,939	(28,766)

Exceptional items 2014:

Potential claim – In 2014 a claim has been made by a supplier for an amount of $1.3 million, relating to a matter pre-merger with the Bayfield Group. Management has provided for this claim in 2014 (see note 16)

Impairment of property, plant and equipment – A sharp fall in oil prices combined with a downgrade in reserve estimates triggered an impairment review of the Group's carrying values within property, plant and equipment. Impairment losses were incurred relating to the CGU's which were written down to their recoverable amount (see note 3 (h)).

Impairment of intangibles – An impairment loss was taken on the exploration well EG-8 ($ 22.6 million) and exploration costs in South Africa ($0.9 million) following an impairment review (see note 6).

Exceptional items 2013:

Negative goodwill – A gain on purchase was recognised in the reverse acquisition of Bayfield by TEPL as the fair value of net assets acquired was in excess of the fair value of consideration exchanged.

Goodwill –A deferred tax liability has been realised on the acquired Oil and Gas properties acquired, this has resulted in in the recognition of goodwill.

Business combination costs–These are advisor and other legal costs specifically associated with the acquisition of Bayfield

Unrealised forex loss – Unrealised foreign exchange loss recorded on the translation of share placing receipts.

Impairment of property plant and equipment–On the Trintes field a development well was suspended and will not be completed as a result, the cost of $0.7 million has been impaired. A downward revision in the reserves estimate led to an impairment loss recognised in Oilbelt Services Limited $2.6 million and Coastline International Inc. $0.2 million.

Impairment of intangibles – Goodwill fully attributable to the Oilbelt Services Limited CGU has been fully impaired.

Share based payment expense – During 2012 share options were granted to certain Directors and employees. The exceptional charge represented the acceleration of the share option charge in 2013 as the vesting period was accelerated due to the announcement of the acquisition of Bayfield.

30. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated using the weighted average number of ordinary shares adjusted to assume the conversion of all dilutive potential ordinary shares.

	Earnings $'000	Weighted Average Number Of Shares $'000	Earnings Per Share $
Year ended 31st December 2013			
Basic	**38,832**	**86,275**	**0.45**
Impact of dilutive ordinary shares:			
Assumed conversion of warrants	—	54	—
Long term incentive plan	—	96	—
Share options – Legacy TEP Plc	—	390	—
Share options – Legacy TEPL	—	2,306	—
Share options granted 29th May 2013	—	790	—
Long term incentive plan granted 1st July 2013	—	371	—
Diluted	**38,832**	**90,282**	**0.43**
Year ended 31st December 2014			
Basic	**(141,182)**	**94,800**	**(1.49)**
Impact of dilutive ordinary shares:			
As net losses from continuing operations were recorded in 2014, the dilutive potential shares are anti-dilutive and both basic and diluted earnings per share are the same.			
Diluted	**(141,182)**	**94,800**	**(1.49)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31. EVENTS AFTER THE REPORTING PERIOD

On the 23rd January 2015 TEP Plc made a nonrefundable deposit of $2.5 million for Centrica's Blocks 1(a) & 1(b). The balance remaining $20 .5 million with interest accrued effective from 23rd February 2015. The completion date agreed for the transaction is the end of July and Trinity can specify an earlier date on not less than 2 days' notice. Centrica will be obliged to pay further significant sums under the PSCs in early July which Trinity has to pay in the event that completion takes place after 5 July. These payments are to be deducted from the consideration on completion occurring. The payments are in respect of the net PSC Financial Obligations (Article 21 of the Blocks 1(a) & 1(b) PSCs–due by 10 July 2015) and the net Annual Holding Fees for the contract year ending 2014 / 2015.

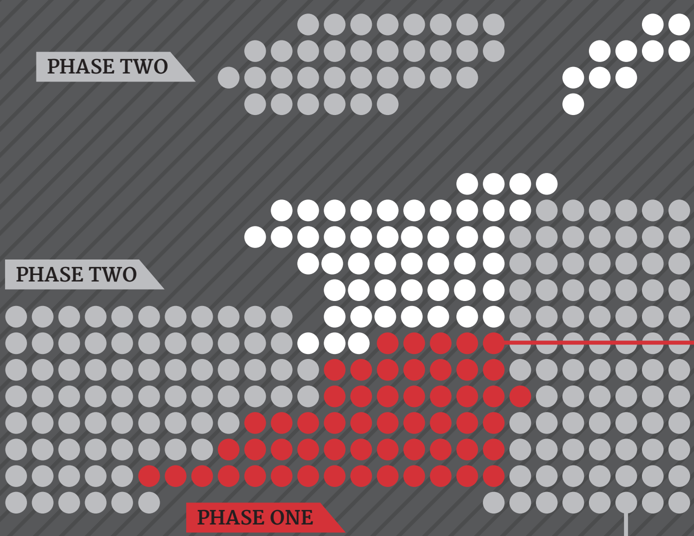
On the 6th February 2015 TEP Plc repaid $20.0 million of the Citibank Trinidad and Tobago loan and obtained a repayment moratorium on the $13.0 million balance until 15th June 2015.

On the 10th March 2015 TEP plc sold casing and tubing to Rigtech Services Limited, Blanket Security Limited and Well Services Petroleum Company Limited (Purchasers) for $3.5 million. The sale of casing and tubing to the Purchasers constitute a related party transaction under the AIM Rules as Anthony Brash, a Director of those entities, is also a Board member and shareholder of TEP Plc. The proceeds of the transaction will be used to reduce amounts owing to Purchasers in relation to services provided by the Purchasers to the Company. The fall in the casing and tubing market internationally resulted in a loss on sale of $1.3 million.

On the 8th April 2015 the TEP plc announced it has decided to conduct a review of its options which may include, but are not limited to, a farm-out or sale of one or more of its existing assets, a corporate transaction such as a merger with or sale of the Company to a third party or a subscription for the Company's securities by one or more third parties.

The Company is subject to The City Code on Takeovers and Mergers (the "Code") and has opted to conduct discussions with parties interested in making a proposal to the Company under the framework of a "Formal Sale Process" as set out in the Code in order to enable discussions relating to a merger or sale of the Company, in particular, to take place on a confidential basis.

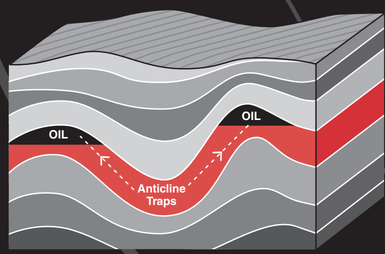
HISTORICAL DEVELOPMENT OF UPSTREAM INDUSTRY



PHASE ONE

The easy stuff, rudimentary geological methods

(Field mapping, onshore seeps and anticlines)

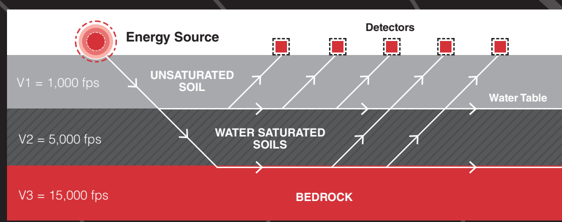


PHASE TWO

Introduction of geophysical surveys (seismic etc.)

- First west coast shallow
- Then east and north coast deeper water
- Oil then gas

Seismic refraction method

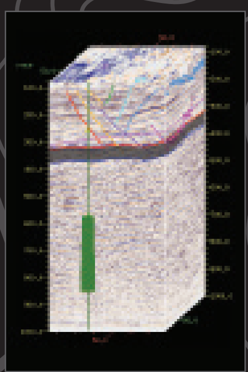


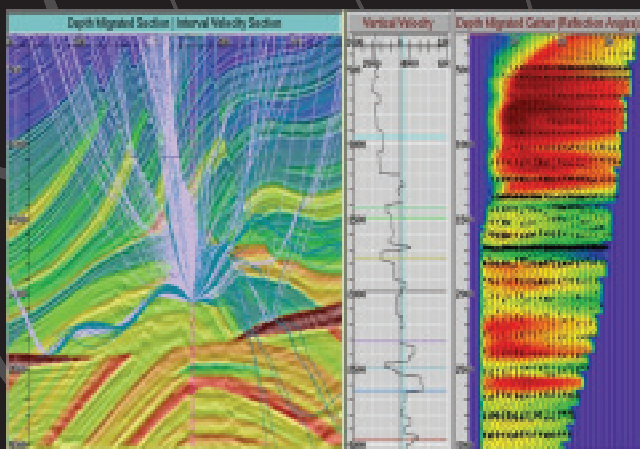
PHASE THREE

The re-examination of all acreage

- Driven by increasing recovery from current producing reservoirs
- High materiality thresholds of existing ownership vs. low materiality thresholds of incoming nimble and agile companies accessing stranded gas fields
- Unexplored deep water acreage
- Introducing appropriate technology and being innovative
- Laser-like focus on wells that go off production
- Performance and safety-driven culture
- Developing synergies and long-term relationships with contractors and suppliers
- Partnering with all stakeholders

Trinity Exploration and Production is at the forefront of Phase 3





“Get the Right Assets into the Right Hands”

THE STORY OF DR. HANS KUGLER

THE FATHER OF TRINIDAD GEOLOGY

For any oil and gas company in Trinidad and Tobago, understanding and appreciating the work of Dr. Hans Kugler is vital to operational success. Dr. Kugler created the first real graphical understanding of the Country's subsurface by mapping the outcrops of surface rocks. For geologists, geophysicists, geographers, petroleum engineers and a host of other professionals, Dr. Kugler's work is a strong foundation of the development of Trinidad and Tobago's Upstream Industry, and for us at Trinity, continues to play a key role in our development.

Dr. Kugler's devotion to geology and palaeontology, the advancement and worldwide promotion of research on Trinidad, and the compilation of a Geological Map of Trinidad in 1961, earned him the title "Father of Trinidad Geology". Fifty-one species contain the scientific designation kugleri and two genera are named in honour of their discoverer.

Born in Baden, Switzerland on 22nd August, 1893, Dr. Kugler came to Trinidad in November 1913, as an aid to Dr August Tobler in his mapping exercises for the Central Mining and Investment Corporation of South Africa. In 1921, Dr. Kugler mapped the "Apex anticline" for the Apex Oil Company, leading to record-breaking yields. He moved on to the Trinidad Petroleum Development Company in 1925, and with his guidance, it too struck oil in Palo Seco. He left the newly prosperous company to join the Central Mining and Investment Corporation, which assigned him to work under their subsidiary, North Venezuelan Petroleum. His geological team survived humid jungles to produce detailed maps and discovered the Tucoyo oilfield in 1925 and the Cumarambo field in 1931.

In 1928, Kugler invited Conrad Schlumberger to demonstrate his electrical logging method in Trinidad on behalf of Trinidad Leaseholds Limited (TLL), which became routine oilwell drilling practice. His suggestions led to the establishment of a biostratigraphic laboratory in Pointe-à-Pierre in 1929, after which he was appointed as Chief Geologist at TLL. He was able to convince TLL to publicise the findings at the risk of financial loss, dramatically contributing to the global development of micropalaeontology and oil geology. He then sent samples and research materials to be archived in museums around the world.

At Dr. Kugler's prompting, TLL introduced aerial photo-interpretation to Trinidad in 1936, and later organised the first Caribbean Geological Conference in 1939.

Dr. Kugler returned to Switzerland in 1959, leaving behind his masterpiece – a 1:100,000 map of Trinidad that integrated years of geological mapping, research and photo-interpretive data. Officially published in 1961, the map was the geological standard for 35 years.

Trinity Exploration & Production is truly grateful for the work of Dr. Hans Kugler and his contributions to our development.

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