Trinity Exploration & Production plc
(the "Company" or "Trinity"; AIM:TRIN)

Interim Results

27th September 2016

Trinity Exploration & Production Plc ("Trinity"), an independent E&P company focused on Trinidad & Tobago, announces its unaudited interim results for the six months ended 30th June 2016 ("the period").

Operating highlights

- With no capital investment aimed towards increasing production, Trinity's subsidiaries (together "the Group") average H1 2016 net production levels declined 14% to 2,659 boepd (H1 2015: 3,085 boepd). Net Q2 2016 production averaged 2,661 boepd
- Continued success in establishing a leaner, more efficient operating cost base with pre-tax operating expenditure ("OPEX") reduced by 27% year-on-year to USD 8.7 million (H1 2015: USD 12.0 million)
- General and Administrative ("G&A") costs reduced by 68% year-on-year to USD 1.8 million (H1 2015: USD 5.7 million)

Financial highlights

- Average realised oil price of USD 32.8/bbl for 2016 (H1 2015: USD 50.0/bbl)
- Revenues of USD 16.1 million (H1 2015: USD 27.8 million)
- EBITDA before exceptional items of USD 1.5 million (H1 2015: USD 1.6 million)
- Cash balance at period end of USD 5.1 million (H1 2015: USD 8.2 million)

Strategic highlights

- In April 2016, Trinity completed the sale of the Company's 100% interest in the Guapo-1 ('GU-1") block for a cash consideration of USD 2.8 million, making a gain of USD 0.9 million. Proceeds from the sale were predominately used to service the Company's outstanding senior debt.
- On 16th August 2016, Trinity's Trinidad and Tobago incorporated wholly-owned subsidiaries Trinity Exploration and Production (Trinidad and Tobago) Limited, Galeota Oilfield Services Limited, Trinity Exploration and Production (Galeota) Limited, Tabaquite Exploration & Production Company Limited, Trinity Exploration and Production (GOP) Limited, Trinity Exploration and Production (GOP-1B) Limited, Oilbelt Services Limited, Trinity Exploration and Production Services Limited and Ligo Ven Resources Limited (the "Subsidiaries" and each a "Subsidiary") filed a notice of intention ("NOI") to make a proposal to creditors under the Trinidad and Tobago Bankruptcy and Insolvency Act Chapter 9:70 ("BIA"). The BIA allows a company to continue operating while it

submits its proposal to reach a settlement with its outstanding creditors.
- The filing of the NOI provides the Subsidiaries with a stay of proceedings with their creditors and means that no entity may terminate or amend an agreement or claim an accelerated payment under any agreement with any Subsidiary by reason only that such Subsidiary is insolvent or that a notice of intention or proposal has been filed.
- Trinity believes that the Subsidiaries making a proposal to creditors and benefiting from the stay on proceedings provides the most efficient and orderly route to concluding its restructuring negotiations with potential funders and securing a refinancing to the benefit of all stakeholders.

Outlook

Key priorities for the Company are to:

- Finalise a refinancing solution to reach a settlement with creditors and fund the Company's future developments
- Achieve operating breakeven level across the onshore fields of below USD 15/bbl and all other fields of below USD 30/bbl by the end of 2016

Further to the refinancing initiative announced in March 2016, Trinity is in advanced discussions with a number of parties. Trinity's shareholders are advised that, whilst Management is encouraged by progress to date, there can be no certainty that any refinancing, offer or other transaction will result from these discussions or as to the terms on which any refinancing, offer or other transaction may be made.

Bruce A. I. Dingwall CBE, Executive Chairman of Trinity, commented:

"Trinity has continued to exceed its targets to reduce our OPEX and G&A with year-on-year reductions of 27% and 68% respectively. The hard work of the team continues to bring about strong cost efficiencies, enabling our business to reduce net losses significantly and maintain positive cash flow at an operating level, despite the backdrop of a dramatically reduced oil price, reduced production levels and no capital investment aimed towards production.

Our current production rates and drastically reduced cost base continue to provide strong testimony to not only the quality of the asset base, but also to the resilience, operational expertise and organisational efficiency in coping with a radically reduced budget. This successful cost model and operating mantra provides a strong foundation and confidence in Trinity's ability to move forward and grow in a steady state environment. Across the Onshore, West Coast and East Coast production areas we have an inventory of drilling locations that could enhance production levels on the deployment of capital.

Reaching a satisfactory agreement with our creditors will enable Trinity to continue to employ and utilise the services of significant numbers of employees and contractors and contribute to the economy of Trinidad and

Tobago. Trinity takes great pride in being a locally managed company and the close working relationships this fosters. It is the forbearance, goodwill and collegiate approach of many of our stakeholders that has enabled Trinity to sustain operations and we look forward to maintaining a working relationship in the future.

On behalf of the Board, I would like to express our thanks to all of our various stakeholders and to Trinity's staff for their continued commitment and hard work to sustain and maximise the portfolio's value."

This announcement contains information which, prior to its disclosure, was inside information for the purposes of the Market Abuse Regulation.

Enquiries

Trinity Exploration & Production Bruce Dingwall, Executive Chairman Tracy Mackenzie, Head of Corporate Development	**Tel: +44 (0) 131 240 3860**
SPARK Advisory Partners Limited (NOMAD & Financial Adviser) Mark Brady Miriam Greenwood Sean Wyndham-Quin	**Tel: +44 (0) 203 368 3550**
Cantor Fitzgerald Europe (Broker) David Porter Sarah Wharry	**Tel: +44 (0) 207 894 7000**

Competent Person's Statement
The information contained in this announcement has been reviewed and approved by Graham Stuart, the Company's Technical Advisor, who has 34 years of relevant global experience in the oil industry. Mr Stuart holds a BSC (Hons) in Geology.

About Trinity

Trinity is an independent E&P company focused solely on Trinidad and Tobago. Trinity operates producing and development assets both onshore and offshore, in the shallow water West and East Coasts of Trinidad. Trinity's portfolio includes current production, significant near-term production growth opportunities from low risk developments and multiple exploration prospects with the potential to deliver meaningful reserves/resources growth. The Company operates all of its licences and has 2P reserves of 21.8 mmbbls according to Management estimates as at 31 December 2015. Trinity is listed on the AIM market of the London Stock Exchange under the ticker TRIN.

OPERATIONS REVIEW

During the second quarter, Trinity's net production averaged 2,661 boepd, (Q2 2015: 2,939 boepd). For the first half of 2016 the Group's average net production was 2,659 boepd (H1 2015: 3,085 boepd) equating to a 14% decline from the previous year.

Onshore operations

Average H1 2016 production from the Onshore assets was 1,430 boepd (H1 2015: 1,691 boepd). The decrease in production volumes resulted from natural decline rates coupled with limited funding to maintain output. The GU-1 block that was averaging 57 bopd (H1 2015: 80 boepd) was sold on 24th May 2016. Swabbing activity resumed in the Tabaquite block in May and June for an average production of 23 bopd. There were 33 workovers conducted in H1 2016 (H1 2015: 43 workovers). No drilling or recompletions "RCP's" were carried out in H1 2016 (H1 2015: one RCP)

East Coast operations

Average H1 2016 production from the East Coast assets was 1,018 boepd (H1 2015: 1,010 boepd). Two workovers completed at the end of 2015 contributed to the maintenance of the base production on the East Coast. No drilling, RCP's or workovers were carried out during H1 2016. The continued retention of such stable production levels, at a time when no capital has been deployed towards new drilling, testifies to the technical capability and the knowledge of the operations within Trinity's team. Moving forward, new drilling could significantly grow the production base, with a significant inventory of new well locations in place and drill ready.

West Coast operations

Average H1 2016 net production from the West Coast assets was 211 boepd (H1 2015: 384 boepd). No drilling, RCP's or workovers were carried out in H1 2016. The shortfall in West Coast production levels was largely due to the limited cash resources of the Group to workover the main producing ABM 151 well which has been shut-in. This well is also the largest producer of gas, which is used to lift crude oil in the Brighton field. The workovers of ABM 150 and ABM 151 continue to represent significant near-term and very low-risk opportunities for improving production in the future. At the Guapo Marine block, chemical treatment of some of the more viscous wells has been deferred.

FINANCIAL REVIEW

Income Statement Analysis

		2016	2015	
		30th June	**30th June**	**31s**
Average production - net	*bopd*	2,659	3,085	
Average realised oil price	*$/bbl*	32.8	50.0	
Statement of Comprehensive Income		*USD million*	*USD million*	
Revenues		16.1	27.8	
Operating expenses		(17.0)	(29.1)	
EBITDA		*1.5*	*1.6*	
Operating loss		(0.9)	(1.3)	
Exceptional items		1.1	(8.3)	
Finance costs		(1.8)	(3.4)	
EBDA		*(0.3)*	*(1.8)*	
Loss before tax		(1.6)	(13.0)	
Taxation charge		0.1	(2.8)	
Currency translation		--	--	
Loss after tax		(1.5)	(15.8)	

Operating Revenues

Operating revenues of USD 16.1 million (H1 2014: USD 27.8 million) were generated. This 42% decrease was mainly attributable to the sharp fall in oil prices and, to a lesser extent, decreased production as there were funding constraints preventing investment in production related capital expenditure across all assets.

- **Crude oil prices:** Trinity was affected by low oil prices during the first half of 2016, with an average realised price of USD 32.8/bbl (H1 2015: USD 50.0/bbl) with the realised prices increasing slightly in Q2 2016 compared to Q1 2016

Operating Expenses

Operating expenses of USD (17.0) million (H1 2015: USD (29.1) million) comprised the following:

- Royalties of USD (4.0) million (H1 2015: USD (8.6) million) - decreased mainly due to lower oil prices;
- Production costs of USD (8.7) million (H1 2015: USD (12.0) million). The Group adopted certain cost reduction initiatives to reduce the production costs and bring this in line with significantly reduced realised oil prices and declining production;
- Depreciation, depletion and amortisation charges of USD (2.5) million (H1 2015: USD (2.9) million) were lower as the depreciable asset pool was reduced due to asset impairment; and certain assets remained classified as held for sale;
- General and administrative (G&A) expenditure of USD (1.8) million (H1 2015: USD (5.7) million). The favourable variance reported in H1 2016 compared to H1 2015, is a result of reduced head office costs, mainly due to organisational restructuring

Operating Loss

The operating loss (before exceptional items) for the period amounted to USD (1.0) million (H1 2015: USD (1.3) million loss) and was mainly driven by a fall in crude oil prices

Exceptional items

Exceptional items of USD 1.1 million relates to a gain on the disposal of the GU-1 asset of USD 1.0 million, impairment of certain payable balances of USD (0.5) million and Fees in relation to the Formal Sale Process of USD (0.4) million

Net Finance Costs

Finance costs for the period totaled USD (1.8) million (H1 2015: USD (3.4) million). This is made up of USD (0.9) million (H1 2015: USD (0.8) million) related to the unwinding of the discount rate on the decommissioning provision; interest on taxes of USD (0.5) million (H1 2015: USD (1.6) million); interest expense on loan facilities from Citibank (Trinidad & Tobago) Limited USD (0.4) million (H1 2015: USD (0.6) million); and Interest due to Centrica in relation to blocks 1a and 1b of nil cost in H1 2016 (H1 2015: USD (0.4) million.

Taxation

The Group has a deferred tax asset of USD 2.4 million (H1 2015: USD 27.6 million) on its Statement of Financial Position which it expects to recover in more than 12 months based on the expected taxable profits to be generated by Group companies.

For the first half of 2016 taxes amounted to USD 0.1 million credit (H1 2014: USD (2.8) million charge) which comprised:

- Production taxes which amounted to USD 0.1 million (H1 2015: USD (2.1) million)

- Petroleum Profits Tax: USD (0.3) million (H1 2015: USD (0.04) million)
- Supplemental Petroleum Tax: USD 0.4 million credit (H1 2015: USD (2.1) million charge)

- Other taxes:
  - Corporation tax of USD 0.0 million (H1 2015: USD (0.8) million)

The total outstanding taxation balances at the end of H1 2016 was USD 17.3 million (H1 2015: USD 22.9 million) the reductions were mainly achieved by applying Value Added Tax refunds due to the Group as payment.

Total Comprehensive Loss

Trinity recorded a Total Comprehensive Loss of USD (1.5) million (H1 2015: USD (15.8) million loss) for the period ended 30th June 2016. Adjusted for exceptional items, Trinity recorded a Total Comprehensive Loss of USD (2.6) million (H1 2015: USD (7.5) million loss).

Cash Flow Analysis

	2016	**2015**	
	30th June	**30th June**	**31st**
Statement of Cashflows	*USD million*	*USD million*	*U*
Opening cash balance	8.2	33.1	
Cash (outflow)/inflow from operating activities	(1.1)	(1.1)	
Net cash outflow from investing activities	(0.0)	(1.2)	
Net cash outflow from financing activities	(2.0)	(22.6)	
Closing cash balance	5.1	8.2	

Trinity began the year with an initial cash balance of USD 8.2 million (2015: USD 33.1 million).

For the period ending 30th June 2016, Trinity's net cash outflow from operating activities was USD 1.1 million (H1 2015: USD 1.1 million outflow).

During the period Trinity experienced working capital outflows of USD 4.0 million (H1 2015: USD 2.0 million outflow) which was affected by payments to suppliers and taxes but was compensated by the disposal of GU-1 block. Significant changes are outlined in the table below.

All figures in USD'000	**H1 2016**		**H1 2015**	
	Uses of Cash	**Sources of Cash**	**Uses of Cash**	**Sources of Cash**
Inventory		68		5,238
Assets held-for-sale		1,926		104
Trade and other receivables	3,774		3,557	
Trade and other payables	681		3,695	
Taxation Paid	1,542		53	
Change in Working Capital		**(4,003)**		**(1,963)**

Trinity paid taxes of USD 1.5 million (comprising mainly corporate taxes) in the first half of 2016 (H1 2015: USD 0.05 million).

Investing Activities

For the first half of 2016, Trinity incurred little to no capital expenditures of USD 0.02 million (H1 2015: USD 1.2 million) comprising computers and equipment.

Financing Activities

- Trinity made principal repayments totaling USD 1.1 million (H1 2015: USD 20.0 million) on its Citibank (Trinidad & Tobago) Limited loan facility
- Finance costs amounted to USD 1.0 million (H1 2014: USD 2.5 million)

Closing Cash Balance

Trinity's cash balances at 30th June 2016 were USD 5.1 million (H1 2015: USD 8.2 million).

Bruce A. I. Dingwall
Executive Chairman

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors' confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- the management report, which is incorporated into the directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- material related party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

A list of the current Directors is maintained on the Trinity Exploration & Production plc website www.trinityexploration.com.

By order of the Board

Bruce A. I. Dingwall
Executive Chairman

Trinity Exploration & Production plc

Condensed Consolidated Interim Financial Statements

For the period ended 30th June 2016

Trinity Exploration & Production plc

Condensed Consolidated Statement of Comprehensive Income for the period ended 30th June 2016

(Expressed in United States Dollars)

	Notes	6 months to 30th June 2016	6 months to 30th June 2015	Year ended December 2015
		$'000 (unaudited)	$'000 (unaudited)	$'000 (audited)
Operating Revenues				
Crude oil sales		16,074	27,752	48,180
Other income		--	66	30
		16,074	27,818	48,210
Operating Expenses				
Royalties		(4,043)	(8,585)	(14,571)
Production costs		(8,699)	(11,963)	(21,966)
Depreciation, depletion and amortisation	6	(2,450)	(2,897)	(8,219)
General and administrative expenses		(1,827)	(5,678)	(10,497)
		(17,019)	(29,123)	(55,253)
Operating Loss		**(945)**	**(1,305)**	**(7,043)**
Exceptional items	4	1,064	(8,289)	(17,229)
Exploration cost write off		--	--	--

Finance Income		--	1	--
Finance Costs		(1,763)	(3,405)	(6,675)
Loss Before Taxation		**(1,644)**	**(12,998)**	**(30,947)**
Taxation Charge	5	143	(2,846)	(26,976)
Loss for the period		**(1,501)**	**(15,844)**	**(57,923)**
Other Comprehensive Income				
Currency Translation		(25)	24	(597)
Total Comprehensive Loss for the period		**(1,526)**	**(15,820)**	**(58,520)**

Earnings per share (expressed in dollars per share)				
Basic	14	(0.02)	(0.17)	(0.62)
Diluted	14	(0.02)	(0.17)	(0.62)

Trinity Exploration & Production plc

Condensed Consolidated Statement of Financial Position for the period ended 30th June 2016

(Expressed in United States Dollars)

	Notes	As at 30th June 2016	As at 30th June 2015	As at 31st December 2015
ASSETS		**$'000**	**$'000**	**$'000**
		(unaudited)	(unaudited)	(audited)
Non-current Assets				
Property, plant and equipment	6	58,600	48,722	46,143
Intangible assets	7	25,823	26,805	26,751
Deferred tax asset		2,375	27,630	2,460
		86,798	103,157	75,354
Current Assets				
Inventories	11	3,894	6,671	3,962

Trade and other receivables		9,587	18,361	10,593
Assets held-for-sale	12	11,039	34,691	30,491
Taxation recoverable		--	548	192
Cash and cash equivalents		5,112	8,197	8,200
		29,632	68,468	53,438
Total Assets		**116,430**	**171,625**	**128,792**
EQUITY				
Capital and Reserves Attributable to Equity Holders				
Share capital	8	94,800	94,800	94,800
Share premium	8	116,395	116,395	116,395
Share warrants		71	71	71
Share based payment reserve		12,178	12,006	12,178
Reverse acquisition reserve		(89,268)	(89,268)	(89,268)
Merger reserves		75,467	75,467	75,467
Translation reserve		(1,583)	287	(557)
Accumulated (deficit)		(190,518)	(146,914)	(188,993)
Total Equity		**17,542**	**62,844**	**20,093**
Non-current Liabilities				
Borrowings	9	--	--	--
Provision for other liabilities	10	28,858	19,255	19,831
Deferred tax liability		3,161	3,751	3,308
		32,019	23,006	23,139
Current Liabilities				
Trade and other payables		23,611	28,547	25,274
Provision for other liabilities		1,863	--	1,930
Borrowings	9	11,950	13,000	13,000
Liabilities held-for-sale	12	12,170	21,286	21,927
Taxation payable		17,275	22,942	23,429
		66,869	85,775	85,560
Total Liabilities		**98,888**	**108,781**	**108,699**
Total Shareholders' Equity and Liabilities		**116,430**	**171,625**	**128,792**

Trinity Exploration & Production plc

Condensed Consolidated Statement of Changes in Equity for the period ended 30th June 2016

(Expressed in United States Dollars)

	Share Capital	Share Premium	Share Warrant	Share Based Payment Reserve	Reverse Acquisition Reserve	Merger Reserve	Translatior Reserv
	$'000	$'000	$'000	$'000	$'000	$'000	$'00(
Balance at 30th June 2015 (unaudited)	94,800	116,395	71	12,006	(89,268)	75,467	287
Share based payment charge	--	--	--	172	--	--	-
Translation difference	--	--	--	--	--	--	(844
Comprehensive Loss for the year	--	--	--	--	--	--	-
Balance at end of 2015 (audited)	**94,800**	**116,395**	**71**	**12,178**	**(89,268)**	**75,467**	**(557**
Share based payment charge	--	--	--	--	--	--	-
Translation difference	--	--	--	--	--	--	(1,001
Comprehensive Loss for the year	--	--	--	--	--	--	(25
Balance at 30th June 2016 (unaudited)	**94,800**	**116,395**	**71**	**12,178**	**(89,268)**	**75,467**	**(1,583**

Trinity Exploration & Production plc

Condensed Consolidated Statement of Cashflows for the period ended 30th June 2016

(Expressed in United States Dollars)

	Notes	6 months to 30th June 2016	6 months to 30th June 2015	Year ended 31st December 2015

	Note	$'000 (unaudited)	$'000 (unaudited)	$'000 (audited)
Operating Activities				
Loss before taxation		(1,644)	(12,998)	(30,947)
Adjustments for:				
Translation difference		735	(110)	841
Finance cost		917	2,639	5,151
Share options granted		49	172	344
Finance cost - decommissioning provision	10	846	766	1,524
Finance income		--	(1)	--
Depreciation, depletion and amortisation	6	2,450	2,897	8,219
Written off of 1a and 1b pre-acquisition cost	4	--	6,055	6,385
Loss on disposal of inventory	4	--	1,302	1,302
Loss on disposal of asset	4	--	108	108
Impairment on property, plant and equipment	4	--	--	2,559
Impairment of intangibles	4	--	--	131
Provision for restructuring		--	--	1,943
Impairment of payables		(447)	--	--
Impairment of receivables		--	--	1,036
Impairment of inventory		--	--	2,483
		2,906	830	1,079
Changes In Working Capital				
Inventory		68	5,238	5,541
Assets held for sale	12	1,926	104	104
Trade and other receivables		(3,774)	(3,557)	2,785
Trade and other payables		(681)	(3,695)	(6,910)
		445	(1,080)	2,599
Taxation paid		(1,542)	(53)	(114)
Net Cash (Outflow)/ Inflow From Operating Activities		(1,097)	(1,133)	2,485
Investing Activities				
Purchase of exploration and evaluation assets	7	--	(1,129)	(1,206)
Purchase of property, plant & equipment	6	(24)	(87)	(1,012)
Net Cash Inflow/(Outflow) From Investing Activities		(24)	(1,216)	(2,218)
Financing Activities				
Finance income		--	1	--
Finance cost - borrowings		(917)	(2,539)	(5,151)
Repayments of borrowings	9	(1,050)	(20,000)	(20,000)
Net Cash Outflow From Financing Activities		(1,967)	(22,538)	(25,151)
Decrease in Cash and Cash Equivalents		(3,088)	(24,887)	(24,884)
Cash And Cash Equivalents				
At beginning of period		8,200	33,084	33,084

Decrease	(3,088)	(24,887)	(24,884)
At end of period	5,112	8,197	8,200

Trinity Exploration & Production plc

Notes to the Condensed Consolidated Financial Statements for the period ended 30th June 2016

1 **Background and Accounting Policies**

Background

Trinity Exploration & Production plc ("Trinity") is incorporated and registered in England and trades on the Alternative Investment Market ("AIM"), a market operated by London Stock Exchange plc. Trinity ("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

These condensed interim financial statements for the six months ended 30th June 2015 have been prepared in accordance with IAS 34, 'Interim financial reporting', as adopted by the European Union, on a going concern basis. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31st December 2015, which have been prepared in accordance with IFRSs as adopted by the European Union.

The results for the six months ended 30th June 2016 and 30th June 2015 are unaudited and do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2015 were approved by the board of directors and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, and contains an emphasis of matter paragraph.

Going Concern

In making their going concern assessment, the Directors have considered the Group's budget and cash flow forecasts. On 16th August 2016, the Company's Trinidad and Tobago wholly-owned subsidiaries Trinity Exploration and Production (Trinidad and Tobago) Limited, Galeota Oilfield Services Limited, Trinity Exploration and Production (Galeota) Limited, Tabaquite Exploration & Production Company Limited, Trinity Exploration and Production (GOP) Limited, Trinity Exploration and Production (GOP-1B) Limited, Oilbelt Services Limited, Trinity Exploration and Production Services Limited and Ligo Ven Resources Limited (the "Subsidiaries" and each a "Subsidiary") filed notice of intention ("NOI") to make a proposal to creditors under the Trinidad and Tobago Bankruptcy and Insolvency Act Chapter 9:70 ("BIA"). The BIA allows the Subsidiaries to continue operating while they submits their proposal to reach a settlement with their outstanding creditors. The filing of the NOI provides the Subsidiaries with a stay of proceedings from all of their creditors and means that no person may terminate or amend an agreement or claim an accelerated payment under any agreement with any Subsidiary by reason only that such Subsidiary is insolvent or that a notice of intention or proposal has been filed.

The Group has also filed a projected cash flow with the office of the Supervisor of Insolvency in Trinidad and Tobago which shows the ability of the Subsidiaries to operate for at least the next 12 months from the date of filing the NOI.

The Subsidiaries have 30 days to 6 months to submit a proposal to their creditors' in respect of past liabilities. At the date of approving the condensed consolidated financial statements, the proposal to creditors has not been concluded. Management expects the outcome to be positive as it provides the best alternative available in the interest of its creditors.

The Group is also in discussions with a number of interested parties about a refinancing of the Group. Such a refinancing is required in order for the Group and Company to continue as a going concern.

For this reason, the Board of Directors continues to adopt the going concern basis of preparing the financial statements. However, the need for acceptance of the proposal along with 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.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year, as set out in the consolidated financial statements for the year ended 31st December 2015, except for income taxes in the interim periods which are accrued using the tax rate that would be applicable to the expected total annual profit and loss. The business is not affected by seasonality.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1st January 2016 that would be expected to have a material impact on the group.

Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31st December 2015.

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.

2 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements for 2015, which can be found at www.trinityexploration.com. There have been no changes in the risk management department or in any risk management policies since the year end.

Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities, except for the net decrease in borrowings of $1.05 million.

3 Operating segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. 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 in Trinidad.

All revenue is generated from sales to one customer in Trinidad & Tobago: The Petroleum Company of Trinidad & Tobago (PETROTRIN). All non-current assets of the Group are located in Trinidad & Tobago.

4 Exceptional Items

Items that are material either because of their size, 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 in the Statement of Comprehensive Income. An analysis of the amounts presented as exceptional items in these financial statements are highlighted below.

	30th June 2016 $'000	30th June 2015 $'000	31st December 2015 $'000
Impairment of property, plant & equipment	--	--	(2,559)
Impairment of intangibles	--	--	(131)
Impairment of receivables	--	--	(1,036)
Loss on winding up of subsidiaries	--	(214)	(214)
Loss on disposal of asset	--	(108)	--
Loss on disposal of casing	--	(1,302)	(1,302)
Fees relating to Formal Sale Process	(350)	(610)	(1,086)
Written off of 1a and 1b pre-acquisition cost (note 15 (4))	--	(6,055)	(6,385)
Gain on disposal of GU-1 Block	963	--	--

Loss on disposal of WD16 Block	--	--	(108)
Impairment of inventory	--	--	(2,483)
Provision for restructuring	--	--	(1,943)
Impairment of payables	447	--	--
Translation difference	4	--	18
	1,064	**(8,289)**	**(17,229)**

5 Taxation

a. Taxation Charge	**30th June 2016 $'000**	**30th June 2015 $'000**	**31st December 2015 $'000**
Current tax			
- Current period			
Petroleum profits tax	307	38	(167)
Corporation tax	--	750	586
Supplemental petroleum tax	(418)	2,086	1,830
Deferred tax			
- Current period			
Movement in asset due to tax losses	--	--	25,170
Movement in liability due to accelerated tax depreciation	(32)	--	(470)
Unwinding of deferred tax on fair value uplift	--	(27)	--
Translation differences	--	(1)	27
Tax charge	**(143)**	**2,846**	**26,976**

	30th June 2016 $'000	**30th June 2015 $'000**	**31st December 2016 $'000**
b. Taxation payable			
Petroleum Profits Tax/ Unemployment Levy	1,955	1,642	1,561
Corporation Tax	705	2,760	2,228
Supplemental Petroleum Tax	14,615	18,540	19,640
Taxation payable	**17,275**	**22,942**	**23,429**

The Group has a deferred tax asset of $2.4 million on its Statement of Financial Position which it expects to recover in more than 12 months based on the expected taxable profits generated by Group companies.

6 Property, Plant and Equipment

	Land & Buildings $'000	**Oil & Gas Property $'000**	**Plant & Equipment $'000**	**Total $'000**
Opening net book amount at 1st January 2016	1,629	40,548	3,966	46,143
Additions	--	--	24	24
Depreciation, depletion and amortisation charge for period	(80)	(2,058)	(312)	(2,450)
	279	15,988	226	16,493

Transferred from disposal group held for sale				
Translation difference	(49)	(1,457)	(104)	(1,610)
Closing net book amount 30th June 2016	**1,779**	**53,021**	**3,800**	**58,600**
Period ended 30th June 2016				
Cost	2,975	264,461	12,232	279,668
Accumulated depreciation, depletion, amortisation and impairment	(1,147)	(209,983)	(8,328)	(219,458)
Translation difference	(49)	(1,457)	(104)	(1,610)
Closing net book amount	**1,779**	**53,021**	**3,800**	**58,600**

	Land & Buildings $'000	**Oil & Gas Property $'000**	**Plant & Equipment $'000**	**Total $'000**
Opening net book amount at 1st January 2015	2,334	78,347	4,974	85,655
Additions	3	55	29	87
Depreciation, depletion and amortisation charge for period	(73)	(2,231)	(593)	(2,897)
Transferred to disposal group held for sale	(430)	(33,236)	(457)	(34,123)
Closing net book amount 30th June 2015	**1,834**	**42,935**	**3,953**	**48,722**
Period ended 30th June 2015				
Cost	2,333	178,400	6,779	187,512
Accumulated depreciation, depletion, amortisation and impairment	(499)	(135,465)	(2,826)	(138,790)
Closing net book amount	**1,834**	**42,935**	**3,953**	**48,722**

	Land & Buildings $'000	**Oil & Gas Assets $'000**	**Plant & Equipment $'000**	**Total $'000**
Year ended 31st December 2015				
Opening net book amount at 1st January 2015	2,334	78,347	4,974	85,655
Additions	(46)	530	528	1,012
Impairment[1]	--	(2,559)	--	(2,559)
Transferred to available for sale	(416)	(29,306)	(877)	(30,599)
Adjustment to decommissioning estimate	--	853	--	853
Depreciation, depletion and amortisation charge for year	(243)	(7,317)	(659)	(8,219)
Closing net book amount 31st December 2015	**1,629**	**40,548**	**3,966**	**46,143**

At 31st December 2015				
Cost	2,696	248,473	11,982	263,151
Accumulated depreciation, depletion, amortisation and impairment	(1,067)	(207,925)	(8,016)	(217,008)
Closing net book amount	**1,629**	**40,548**	**3,966**	**46,143**

[1] No impairment loss was recognised in respect of period ended 30th June 2016, in 2015 one cash generating unit ("CGU"') was impaired, (2015: $2.6 million). The recoverable amount was determined by estimating its fair value less costs to sell.

7 Intangible assets

	Exploration and evaluation assets $'000
At 1st January 2016	26,751
Translation difference	(928)
At 30th June 2016	**25,823**
At 1st January 2015	25,676
Additions	1,129
At 30th June 2015	**26,805**
At 1st January 2015	25,676
Additions	1,206
Impairment[1]	(131)
At 31st December 2015	**26,751**

An impairment loss of $0.1 million was recognised in 2015 following an impairment review on the carrying value of exploration and evaluation assets.

No further impairments were deemed necessary over the exploration and evaluation assets of the Group.

8 Share capital

	Number of shares	**Ordinary shares $'000**	**Share premium $'000**	**Total $'000**
As at 1st January 2016	94,799,986	94,800	116,395	211,195
As at 30th June 2016	**94,799,986**	**94,800**	**116,395**	**211,195**

9 Borrowings

	30th June 2016 $'000	**30th June 2015 $'000**	**31st December 2015 $'000**
Current	11,950	13,000	13,000

Non-Current	--	--	--
	11,950	**13,000**	**13,000**

Movements in borrowings are analysed as follows:

	$'000
6 months ended 30th June 2016	
Opening amount as at 1st January 2016	13,000
Repayments of borrowings	(1,050)
Closing amount as at 30th June 2016	**11,950**
6 months ended 30th June 2015	
Opening amount as at 1st January 2015	33,000
Repayments of borrowings	(20,000)
Closing amount as at 30th June 2015	**13,000**

9 Borrowings (Continued)

Year ended 31st December 2015	
Opening amount as at 1st January 2015	33,000
Repayment of borrowings	(20,000)
Closing balance at 31st December 2015	**13,000**

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

2016 Loan 1 Update

- Principal payments of $1.0 million were made between 1st January 2016 to 30th June, 2016 due to Citibank
- Quarterly interest payments remain in effect and were paid in March and June 2016
- Outstanding balance of $11.0 million as at 30th June 2016Principal moratorium was given until 15th August 2016, subsequent to this on 16th August 2016 the Company's Trinidad and Tobago wholly-owned subsidiaries Trinity Exploration and Production (Trinidad and Tobago) Limited, Galeota Oilfield Services Limited, Trinity Exploration and Production (Galeota) Limited, Tabaquite Exploration & Production Company Limited, Trinity Exploration and Production (GOP) Limited, Trinity Exploration and Production (GOP-1B) Limited, Oilbelt Services Limited, Trinity Exploration and Production Services Limited and Ligo Ven Resources Limited (the "Subsidiaries" and each a "Subsidiary") filed a notice of intention ("NOI") to make a proposal to creditors under the Trinidad and Tobago Bankruptcy and Insolvency Act Chapter 9:70 ("BIA"). During the proposal process, no further moratoriums are required.

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 and Tobago) Limited 'Citibank' which at 31st December, 2014 was fully drawdown.

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% following 6.5% to 7.0% quarterly instalments commencing on 21st November 2014 and ending on 21st August 2017

2016 Loan 2 Update

- No principal repayments were made between 1st January 2016 to 30th June 2016
- Quarterly interest payments remain in effect and were paid in February and May 2016
- Outstanding balance of $1.0 million as at 30th June 2016
- Principal moratorium (same as note on Loan 1 above)

Debt Covenants

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 the half year 2015, Trinity's results was non-compliant with the debt service coverage ratio (the minimum requirement being 1.4:1, however the actual ratio was c. 0.3:1). The entire borrowings remain classified as current due to the breach of the debt service coverage ratio.

Analysis of net debt

	At 1st January 2016 $'000	**Cashflow $'000**	**At 30th June 2016 $'000**
Cash and cash equivalents	8,200	(3,088)	5,112
Financial liabilities - borrowings current	(13,000)	1,050	(11,950)
	(4,800)	**(2,038)**	**(6,838)**

10 Provisions and Other Liabilities

Non-Current	**Potential Claim $'000**	**Decommissioning cost $'000**	**Total $'000**
6 months ended 30th June 2016			
Opening amount as at 1st January 2016	1,270	18,561	19,831
Unwinding of discount	--	483	483
Transferred from disposal groups held for sale (note 12)	--	9,233	9,233
Translation differences	--	(689)	(689)

Closing balance as at 30th June 2016	**1,270**	**27,588**	**28,858**
6 months ended 30th June 2015			
Opening amount as at 1st January 2015	1,270	38,505	39,775
Unwinding of discount	--	766	766
Transferred to disposal groups held for sale (note 12)	--	(21,286)	(21,286)
Closing balance as at 30th June 2015	**1,270**	**17,985**	**19,255**

Year ended 31st December 2015			
Opening amount as at 1st January 2015	1,270	38,505	39,775
Adjustment to estimates	--	853	853
Transferred to liabilities held for sale	--	(21,927)	(21,927)
Unwinding of discount	--	1,524	1,524
Translation differences	--	(394)	(394)
Closing balance at 31st December 2015	**1,270**	**18,561**	**19,831**

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. 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.

11 Inventory

	30th June 2016 $'000	30th June 2015 $'000	31st De
Crude oil	160	314	
Materials and supplies	3,734	6,357	
	3,894	**6,671**	

12 Non-current assets held for sale

Certain assets and liabilities relating to Trinity's oil and gas fields owned and operated by its indirect subsidiary Trinity Exploration and Production (Trinidad and Tobago) Limited have been presented as held for sale following approval of management and Board of Directors by way of a Formal Sales Process ("FSP"). On 14th April 2016 the Guapo-1 ("GU-1") block was sold and the carrying value of $1.9 million has been removed from the 30th June 2016 assets held-for-sale. The assets held for sale at 30th June 2016 relate to the West Coast assets of the Group, the Onshore assets have been reclassified as property, plant and equipment.

(a) Assets of the disposal Group classified as held for sale

	30th June 2016	30th June 2015	31st December 2015

Property, plant & equipment	$'000	$'000	$'000
Net Book Value at 1 Jan	30,491	672	672
Disposal	(1,926)	(104)	(780)
Reclassified as property, plant & equipment	(16,493)	--	--
Transferred from property, plant & equipment	--	34,123	30,599
Translation difference	(1,033)	--	--
Net Book Value	**11,039**	**34,691**	**30,491**

(b) Liabilities of the disposal group classified as held for sale

Other provisions	30th June 2016 $'000	30th June 2015 $'000	31st De
Decommissioning provision 1 Jan	21,927	--	
Reclassified as provision and other liabilities	(9,233)	--	
Transferred from provision and other liabilities	--	21,286	
Unwinding of discount rate	363	--	
Disposal	(112)	--	
Translation difference	(775)	--	
	12,170	**21,286**	

In accordance with IFRS 5, the assets and liabilities held for sale criteria were met between the balance sheet date and the date that the condensed financial statements were authorised.

13 Related party transactions

The following transactions were carried out with the Group's related parties during the six months to 30th June 2016. These transactions comprised sales and purchase of goods and services in the ordinary course of business.

The receivables from related parties arise mainly from sale transactions and are due one month after the date of sales. The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties.

13 Related party transactions (Continued)

The payables to related parties arise mainly from purchase transactions and are due one month after the date of purchase. The payables bear no interest. A legal claim was made by the related party Well Services Petroleum Company Limited against a subsidiary of the Group to recover the balance owed of $2.0 million at the end of 2015. There were no other related party transactions in the period.

	30th June 2016	30th June 2015	31st December 2015

	$'000	$'000	$'000
Sales of goods and services to related parties	--	3,999	3,551
Purchase of goods and services from related parties	18	1,464	1,197
Receivables from related parties	--	--	--
Payables to related parties	853	2,801	1,986

14 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 - Total Comprehensive Income/(Loss) For The Period $'000	Weighted Average Number Of Shares $'000	Earnings Per Share $
Period ended 30th June 2016			
Basic	(1,526)	94,800	(0.02)
Impact of dilutive ordinary shares:	--	--	--
Diluted	**(1,526)**	**94,800**	**(0.02)**
Period ended 30th June 2015			
Basic	(15,820)	94,800	(0.17)
Impact of dilutive ordinary shares:	--	--	--
Diluted	**(15,820)**	**94,800**	**(0.17)**
Year ended 31st December 2015			
Basic	(58,520)	94,800	(0.62)
Impact of dilutive ordinary shares:	--	--	--
Diluted	**(58,520)**	**94,800**	**(0.62)**

As net losses from continuing operations were recorded in June 2016, the dilutive potential shares are anti-dilutive and both basic and diluted earnings per share are the same.

15 Contingencies

1. One of the subsidiaries has received an assessment from the tax authority of Trinidad & Tobago namely, the Board of Inland Revenue ("BIR"), in respect of Supplemental 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. Subsequent to the period ending supporting evidence was provided to the BIR which has overturned the claim.

2. A subsidiary of the 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.

3. The farmout agreement for the Tabaquite block (held by Coastline International Inc.) has expired. There may be additional liabilities arising when a new agreement is finalised, but these cannot be presently quantified as a new agreement has not yet been finalised by both parties which would agree any terms or conditions inherent the financial statements do not include any estimates of such liabilities.

4. Parent company guarantees:
   (a) A Letter of Guarantee has been established over the Point Ligoure-Guapo Bay-Brighton Block where a subsidiary of Trinity is obliged to carry out a Minimum Work Programme to the value of $8.4 million. The guarantee shall be reduced at the end of each twelve month period upon presentation of all technical data and results of the Minimum Work Programme performed. Trinity has submitted the technical data for reducing the performance guarantee at the end of 2015 and are awaiting a response.

   (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.

5. 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. For 2016 the Group has received no cost and does not expect that these liabilities will be material.

6. 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.

7. The UK subsidiaries have received an assessment from the tax authority of the United Kingdom namely, the Her Majesty's Revenue and Customs (HMRC), in respect of Value Added Tax claims. The subsidiaries have requested an independent reconsideration of the matters with the HMRC, 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. Subsequent to the period the HMRC have sent a letter to the company withdrawing their decision in respect of the Value Added Tax claims.

16 Events after the Reporting Period

1) On 16 August 2016, Trinity's Trinidad and Tobago incorporated wholly-owned subsidiaries Trinity Exploration and Production (Trinidad and Tobago) Limited, Galeota Oilfield Services Limited, Trinity Exploration and Production (Galeota) Limited, Tabaquite Exploration & Production Company Limited, Trinity Exploration and Production (GOP) Limited, Trinity Exploration and Production (GOP-1B) Limited, Oilbelt Services Limited, Trinity Exploration and Production Services Limited and Ligo Ven Resources Limited (the "Subsidiaries" and each a "Subsidiary") filed a

notice of intention ("NOI") to make a proposal to creditors under the Trinidad and Tobago Bankruptcy and Insolvency Act Chapter 9:70 ("BIA").

The BIA allows a company to continue operating while it submits its proposal to reach a settlement with its outstanding creditors. The filing of the NOI provides the Subsidiaries with a stay of proceedings from all of their creditors and means that no person may terminate or amend an agreement or claim an accelerated payment under any agreement with any Subsidiary by reason only that such Subsidiary is insolvent or that a notice of intention or proposal has been filed.

2) In July and August 2016 Trinity has repaid a total of $2.0 million towards Citibank reducing the outstanding debt balance to $10.0 million.