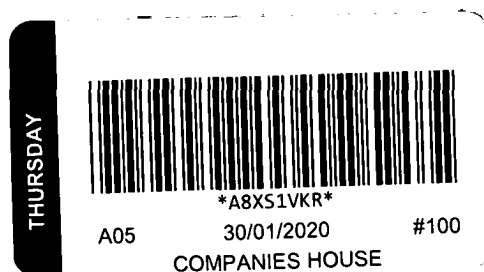


Trinity Exploration and Production Services (UK) Limited
Annual Report and Financial Statements
For the Year Ended 31 December 2018

Company number: 06581076



TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2018

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TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:

B A I Dingwall
J Bridglalsingh

SECRETARY:

Amba Secretaries Limited (Appointed 28 September 2018)

REGISTERED OFFICE:

C/O Pinsent Masons LLP
1 Park Row,
Leeds
England,
LS1 5AB

REGISTERED NUMBER:

06581076 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Capitol
431 Union Street
Aberdeen
AB11 6DA
United Kingdom

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report together with the audited financial statements of Trinity Exploration and Production Services (UK) Limited ("the Company") for the year ended 31 December 2018. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

In accordance to section 414B (Strategic report: small companies exemption) of the Companies Act 2006, no strategic report has been included within the annual report and financial statements.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company is and will continue to be that of the provision of management and administrative services to other Group companies. During the year the Company incurred costs in relation to the UK office and personnel costs, as well as various consultants, which have been recharged out to Group companies.

EVENTS SINCE THE END OF THE YEAR

After the year end there were no major events occurring. See subsequent events note 21.

GOING CONCERN

The Directors have received a letter of support from the ultimate parent company of the group, Trinity Exploration & Production plc.

(See note 2.1)

DIRECTORS

The Directors who have held office during the year and through to the date of this report are as follows:

B A I Dingwall
J Bridglalsingh

The Directors did not have any interests in the shares of the Company at any time during the year.

The Company has made qualifying third party indemnity provisions for the benefit of its directors. These remain in force at the date of this report and also during the financial year.

APPOINTMENTS/ RESIGNATIONS

During the year and up to the date of signing the financial statements, Amanda Macfarlene Bateman terminated appointed as a Company secretary on 28 September 2018. Amba Secretaries Limited was appointed new secretary of the Company on the same date.

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

FINANCIAL RISK MANAGEMENT

The Company has exposure to financial risks, the management of which are undertaken by the ultimate parent undertaking with the purpose of minimising the potential adverse effects of these risks on the Group's financial performance.

The Company's principal financial assets are amounts due from Group companies and bank balances. The Company receives loans from fellow Group companies to maintain liquidity and ensure that there are sufficient funds available for ongoing operations.

Risk management is carried out by the Group's management. Management identifies and evaluates financial risks.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2017: nil).

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each person who is a Director at the date of approval of this report confirms that:

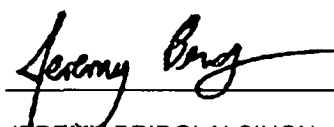
- (1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed.

ON BEHALF OF THE BOARD:



JEREMY BRIDGLALSINGH

Director

28 January 2020

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY
EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018

Report on the audit of the financial statements

Opinion

In our opinion, Trinity Exploration and Production Services (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY
EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018

required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

**TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY
EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2018**

Other required reporting

Companies Act 2006 exception reporting

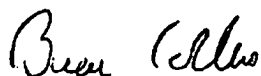
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Bruce Collins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Aberdeen
28 January 2020

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 US\$000's	2017 US\$000's Restated
Revenue	5,19	<u>1,025</u>	<u>679</u>
General and administrative expenses		(1,401)	(1,345)
Other Income		21	31
Gain/(Loss) on forex		(101)	107
Reversal of amounts owed to Group companies	6,19	<u>--</u>	<u>103</u>
Operating Loss Before Exceptional Items		(456)	(425)
Exceptional Items	8,19	<u>47</u>	<u>339</u>
Operating Loss After Exceptional Items		(409)	(86)
Finance income	9	<u>4</u>	<u>1</u>
Loss Before Taxation		(405)	(85)
Tax loss	10	<u>--</u>	<u>--</u>
Loss For The Financial Year	16,19	(405)	(85)
Other Comprehensive Income Items that may be subsequently reclassified to profit or loss			
Currency translation	19	<u>221</u>	<u>(317)</u>
Total Comprehensive (loss) for the year		<u>(184)</u>	<u>(402)</u>

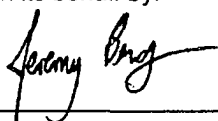
All operations were continuing throughout both years.

The notes on pages 12 to 28 are an integral part of these financial statements

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 US\$000's	31 December 2017 US\$000's (Restated)	31 December 2016 US\$000's (Restated)
Assets				
Non-current Assets				
Property, plant and equipment	11	--	1	2
		--	1	2
Current Assets				
Trade and other receivables	12,19	64	31	354
Amounts owed by Group companies	12	--	--	--
Cash and cash equivalents	13,19	3,436	593	434
		3,500	624	788
Total Assets		3,500	625	790
Equity and Liabilities				
Equity				
Called up share capital	15	--	--	--
Translation reserve	18,19	(131)	(352)	(35)
Accumulated losses	16,19	(3,850)	(3,445)	(3,360)
Total Equity		(3,981)	(3,797)	(3,395)
Liabilities				
Current Liabilities				
Trade and other payables	14	102	64	2,158
Amounts owed to Group companies	14	7,379	--	--
Current Liabilities		7,481	64	2,158
Non-current Liabilities				
Amounts owed to Group companies	14,19	--	4,358	2,027
Total Liabilities		7,481	4,422	4,185
Total Equity and Liabilities		3,500	625	790

The financial statements on pages 9 to 28 were approved by the Board of Directors on 28 January, 2020 and signed on its behalf by:



 JEREMY BRIDGLALSINGH
 Director

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up Share Capital US\$000's	Translation Reserve US\$000's	Accumulated Profit/(Losses) US\$000's	Total Equity US\$000's
Balance as at 1 January 2016	--	20	658	678
Restatement	--	(349)	247	(102)
Balance as at 1 January 2016 (restated)	--	(329)	905	576
Loss for the financial year (restated)	--	--	(4,265)	(4,265)
Currency translation differences (restated)	--	294	--	294
Total Comprehensive Income	--	294	(4,265)	(3,971)
Balance At 31 December 2016 (restated)	--	(35)	(3,360)	(3,395)
Profit for the financial year (restated)	--	--	(85)	(85)
Currency translation differences (restated)	--	(317)	--	(317)
Total Comprehensive Income	--	(317)	(85)	(402)
Balance At 31 December 2017 (restated)	--	(352)	(3,445)	(3,797)
Loss for the financial year (restated)	--	--	(405)	(405)
Currency translation differences (restated)	--	221	--	221
Total Comprehensive Loss	--	221	(405)	(184)
Balance At 31 December 2018	--	(131)	(3,850)	(3,981)

The notes on pages 12 to 28 form an integral part of these financial statements.

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

The Company is incorporated and domiciled in the United Kingdom and registered in England and Wales. The company is a private company limited by shares. The address of the registered office is Pinsent Masons LLP 1 Park Row, Leeds England, LS1 5AB. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 3.

1. Basis of preparation

The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using FRS 101. FRS 101 sets out a reduced disclosure framework for a "qualifying entity", as defined in the Standard, which addressed the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ("IFRS").

TEPSL UK is a qualifying entity for the purposes of FRS 101. Note 20 gives details of the Company's ultimate parent and from where consolidated financial statements prepared under the historical cost convention, except certain financial assets and liabilities and certain classes which are measured at fair value. The consolidated financial statements which includes the Company, can be obtained.

The financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The application of FRS 101 has enabled TEPSL UK to take advantage of certain disclosure exemptions that would have been required had the Company continued to apply International Financial Reporting Standards in full. The only such exemptions that the directors consider to be significant are:

- no detailed disclosures in relation to financial instruments;
- no cash flow statement;
- no disclosure of related party transactions with fellow 100% owned subsidiaries of its parent;
- no analysis of fixed asset movements in the prior year;
- no statement regarding the potential impact of forthcoming changes in financial reporting standards;
- no disclosure of "key management compensation" for key management other than directors; and
- no disclosures relating the Company's policy on capital management
- the disclosure exemptions from IFRS 7 Financial Instruments: Disclosures

The Company has notified its shareholders in writing, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

In the financial statements presented, all values are rounded to the nearest thousand, except where otherwise stated.

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

New and amended standards adopted by the Company:

The Company has applied the following standards and amendments for the first time for annual reporting period commencing 1 January 2018:

IFRS 15 Revenue from Contracts with Customers	The new standard for revenue replaces IAS 18 and IAS 11. IFRS 15 specifies how and when an entity will recognise revenue as well as requiring such entities to provide users of the financial statements with more informative, relevant disclosures. The Management Service agreement was reviewed and determined that IFRS 15 did not have a material impact on its revenue recognition on the financial statements. The Company adopted this standard using the modified retrospective approach, whereby the cumulative effect of initial adoption of the standard is recognised as an adjustment to retained earnings. There was no effect on the retained earnings or prior period amounts as a result of adopting this standard.	Periods beginning on / after 1 January 2018
IFRS 9 Financial Instruments	The standard addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The adoption of IFRS 9 has resulted in changes in the Company's accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. There were financial instruments in the current year, however there was no effects on the Company's retained earnings or prior period amounts as a result of adopting this standard.	Periods beginning on / after 1 January 2018
IFRS 2 Share based payments	The amendments to the classification and measurement of share-based payment transactions. The amendments affect three distinct areas. 1) Classification of share-based payments that have a net settlement feature within the framework of an equity-settled plan. 2) Accounting for modifications that change the classification of payments from cash-settled to equity-settled. 3) The effects of vesting/non-vesting conditions on cash-settled share-based payments. There was no effect on the Company's retained earnings or prior period amounts as a result of adopting this standard.	Periods beginning on / after 1 January 2018

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Summary of significant accounting policies

The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

2.1. Going concern

The Directors have received a letter of support from the ultimate parent company of the group, Trinity Exploration & Production plc. In July 2018, the Group was able to raise gross proceeds of \$20.0 million through fundraising, of which:

- Firm Placing which raised approximately \$11.1 million;
- Subscription shares which raised approximately \$6.9 million:
 - \$0.5 million of New Ordinary Shares Subscriptions by Trinity Directors and Executive Management
 - \$6.4 million in relation to the holders of redeemable CLN who opted to convert the value of their CLNs at the Issue Price inclusive of accrued interest and thereby to subscribe for approximately 32,715,504 New Ordinary Shares pursuant to the Subscription;
- Placing and Offer to Qualifying Participants which raised approximately \$2.0 million

The Fundraising allowed the Group to repay all outstanding debt to its T&T State Creditors ("BIR and the MEEI"). Contingent to this repayment, on 15 August 2018 Trinity settled the redeemable CLN plus accrued interest. Through the settlement of all outstanding debts, the group improved on its' prior year net current asset position. At the 31 December 2018, the Group had net current assets of \$17.8 million (2017: \$8.1 million).

Subsequent to the fund raising the Group meets its day-to-day working capital requirements through revenue generation and positive operating cash flows. The Group's forecast and projections, taking account of reasonable possible changes in oil price and sales volume, show that the Group will be able to operate within the level of its current cash resources. Should there be a down turn in the oil prices within the industry the Board and Management have a number of actions within control that can be effected. These include deferral of its capital expenditure spend and further reducing operating costs to manageable levels.

The Board of Directors have a reasonable expectation that Trinity Exploration and Production Services (UK) Limited (TEPSL UK) has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

2.2 Foreign currencies

These financial statements are presented in US dollars because that is the presentational currency of the Group. The currency of the primary economic environment in which the Company operates is GBP sterling and this is therefore the functional currency of the entity.

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') which is GBP sterling. The financial statements are presented in US dollars.

(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.

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Summary of Significant Accounting Policies (Continued)

2.2 Foreign currencies (Continued)

(c) Year-end financial statements

For the purposes of presenting the year-end financial statements the assets and liabilities of the Company's operations are translated at exchange rates prevailing at the balance sheet date. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions is used. Currency translation adjustments resulting from this are taken directly to reserves.

2.3 Revenue recognition

Revenue is recognised in accordance with IFRS 15. Revenue is attributable to the principal activity of the Company being the provision of management and administrative services. Revenue is recognised at a point in time and on delivery of performance obligations relating to specific services. In terms of management and administrative services, this is when the service has been rendered and is measured the fair value of the consideration received or receivable, net of any discounts and sales related tax.

2.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write off the costs over their estimated useful lives, using the straight-line method commencing in the month following the purchase, on the following basis:

Computer equipment	4 years
--------------------	---------

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

2.5 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the assets are impaired.

The Company applies the simplified approach to determine impairment of trade receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly-liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Summary of Significant Accounting Policies (Continued)

2.7 Leasing

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

2.8 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the asset of the Company after deducting all of its liabilities.

2.9 Trade payables

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 Equity instruments

Equity issued by the Company is recorded at the proceeds received, net of direct issue costs.

2.11 Current income tax

The tax expense represents the sum of the tax currently payable.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2.12 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 Company. 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.

TRINITY EXPLORATION AND PRODUCTION SERVICES (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2.13 Investments and other financial assets

(i) Impairment

From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost including amounts due from related parties.

Financial assets recognition of impairment provisions under IFRS 9 is based on the expected credit losses ("ECL") model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15: Revenue from Contracts with Customers. The measurement of ECL reflects an unbiased and probability weighted amount that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Company applied the simplified approach to determine impairment of its trade and other receivables and intercompany receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company historical default rates observed over the expected life of the receivables and adjusted for forward looking estimates. This is then applied to the gross carrying amount of the receivables to arrive at the loss allowance for the period.

3. Financial Risk Management

3.1. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (mainly currency risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk Management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, non-derivative financial instruments and investment of excess liquidity.

3.1.1 Market risk - foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The majority of the Company's transactions are conducted in GBP sterling, its functional currency. As a result there is no significant foreign exchange risk, however, the Company does review its exposure to transactions denominated in other currencies and takes necessary action to minimise this exposure.

Currency risk is managed by matching costs with income as far as possible.

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3. Financial Risk Management (Continued)

3.1.2 Credit risk

Credit risk arises from cash and cash equivalents and outstanding receivables. The Company has no commercial customers and all trade and other receivables are considered operational in nature.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Management monitors rolling forecasts of the Company's liquidity and cash and cash equivalents on the basis of expected cash flow. At the end of the year the ultimate parent company is facing liquidity issues over its current liabilities which have been reported in its annual financial results.

Implications have been considered within the going concern note to address the risks existing in the current environment.

3.2 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values because of the short-term nature of such assets and the effect of discounting liabilities is negligible.

4. Critical accounting estimates and judgements

In the application of the accounting policies, which are set out in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

5. Revenue

	2018 US\$000's	2017 US\$000's (Restated)
Management charges	1,025	679

Management charges relate to income for the provision of management and administrative services to other Group companies. In addition, there is a balance that relate to HMRC having to make a Repayment Supplement which is a penalty levied against them for not authorizing payment for legitimate VAT refunds on time.

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6. Operating Loss Before Exceptional Items

The operating loss is stated after charging/ (crediting):

	2018 US\$000's	2017 US\$000's Restated
Staff costs (note 7)	322	340
Depreciation on property, plant and equipment	--	1
Intercompany billing	1,025	679
(Reversal)/ Impairment of amounts owed to/by Group companies	--	(103)
	<u> </u>	<u> </u>
Audit fees		
- As auditors	4	4
Total auditors' remuneration	<u>4</u>	<u>4</u>

In 2018, there were no impairments. In 2017, there was a reversal of impairment of amounts due to /owed by Groups companies.

7. Staff Costs

	2018 No.	2017 No.
The monthly average number of employees (including Directors) employed by the Company during the year was:	<u>3</u>	<u>3</u>

Their aggregate remuneration comprised (including Directors):

	2018 US\$000's	2017 US\$000's
Wages and Salaries	217	221
Social security costs	84	105
Other Pension Costs	21	14
	<u>322</u>	<u>340</u>

In 2018 and prior year the directors neither received nor waived any emoluments from the Company, the value has not been disclosed because this is paid by another entity and too difficult to apportion. All remuneration for Directors was incurred in Trinity Exploration & Production plc.

8. Exceptional Items

	2018 US\$000's	2017 US\$000's Restated
Corporate Restructuring fees	--	(240)
Other NOI Costs	--	--
Unsecured Creditors Compromise	--	(99)
Reversal of impairment on amounts due to/owed group companies	(47)	--
	<u>(47)</u>	<u>(339)</u>

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In 2018 reversal of impairment on amounts due to/owed to group companies. While in 2017 Corporate Restructuring fees related to professional fees incurred in the UK in relation to the Groups' refinancing efforts. See note 2.1.

The Unsecured Creditors Compromise related to suppliers' balances compromised under the NOI settlement.

9. Finance income

	2018 US\$000's	2017 US\$000's
Interest on intercompany loan	4	1

10. Tax on profit/ (loss)

	2018 US\$000's	2017 US\$000's
(Loss)/Profit before taxation	(405)	(85)
Loss/Profit before taxation at the standard rate of corporation tax 19%, (2017: 19.25%)	(77)	(16)
Effects of:		
Expenses not deductible for tax purposes	--	--
Losses surrendered via group relief	--	--
Unutilised tax losses	77	16
Total tax charge	--	--

There were no tax payable nor receivables during the year

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11. Property, Plant And Equipment

	Computer equipment US\$000's	Total US\$000's
Cost:		
At 31 December 2017	92	92
At 31 December 2018	92	92
Accumulated Depreciation:		
At 1 January 2018	91	91
Charge for the year	1	1
At 31 December 2018	92	92
Net Book Value:		
At 31 December 2017	1	1
At 31 December 2018	--	--

12. Trade And Other Receivables

	31 December 2018 US\$000's	31 December 2017 US\$000's (Restated)
Trade And Other Receivables		
VAT recoverable	--	23
Other receivables	64	8
	64	31

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

The Group applies the IFRS 9 simplified model for measuring ECL which uses a lifetime expected loss allowance and are measured on the days past due criterion. Amounts due from related parties are repayable on demand and entities have the ability to repay if called immediately

The Amounts due from related parties are unsecured, interest free, loans repayable on demand and interest free intercompany balances.

13. Cash and cash equivalents

	31 December 2018 US\$000's	31 December 2017 US\$000's (Restated)
Cash and cash equivalents	3,436	593

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The Directors consider that the carrying amount of cash and cash equivalents approximates to their fair value.

The Company has cash and cash equivalents denominated in foreign currencies. The carrying amounts of cash and cash equivalents in US dollars amount to \$3.4 million (2017: \$0.6 million).

An increase of 10% in the USD: GBP foreign exchange rate at year end would increase cash and cash equivalents by \$0.3 million (2017: \$0.06) and result in a corresponding increase in profit for the year.

14. Trade And Other Payables

	31 December 2018 US\$000's	31 December 2017 US\$000's (Restated)
<i><u>Amounts due within one year:</u></i>		
Trade creditors	57	7
Vat Payable	17	--
Other creditors	--	37
Accruals	28	20
	<u>102</u>	<u>64</u>
<i><u>Amounts owed to Group companies due within one year:</u></i>		
Opening balance	--	--
Additions	7,379	--
	<u>7,379</u>	<u>--</u>
<i><u>Amounts due beyond one year:</u></i>		
Opening balance	4,358	2,027
Additions	--	8,329
Repayments	(4,358)	(5,998)
	<u>--</u>	<u>4,358</u>

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs.

The Company has trade and other payables denominated in foreign currencies. The carrying amounts of trade and other payables in US dollars amount to \$6.5 million (2017: \$0.04 million). The remaining balance is in GBP sterling.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit timeframe and no interest has been charged by any suppliers as a result of late payment of invoices during the year. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

The Amounts due to related parties are unsecured, interest free, loans repayable on demand and interest free intercompany balances.

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15. Called up share capital

	2018 US\$000's	2017 US\$000's
Issued and fully paid: 3,(2017: 3) ordinary shares of £1 each	<u> -- </u>	<u> -- </u>

The Company has one class of ordinary share which carries no right to fixed income.

16. Accumulated Losses

	31 December 2018 US\$000's	31 December 2017 US\$000's
At 1 January	(3,445)	(3,360)
(Loss)/Profit for the financial year	(405)	(85)
At 31 December	<u> (3,850) </u>	<u> (3,445) </u>

17. Operating Lease Commitments

At the balance sheet date, the Company had no outstanding commitments for future minimum lease payments under non-cancellable operating leases.

18. Translation Reserve

	2018 US\$000's	2017 US\$000's
At 1 January	(352)	(35)
Foreign exchange gain/(loss) during the year	<u> 221 </u>	<u> (317) </u>
At 31 December	<u> (131) </u>	<u> (352) </u>

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19. Restatement of Comparative Figures

The financial statements include a restatement of the results for 2016 and 2017. There was an error in the accounts previously submitted as a result of the incorrect functional currency used in translation to the presentation currency at year end. The functional currency previously used was the Trinidad and Tobago dollar ("TTD") instead of the Pound sterling ("GBP"), while the presentation currency remained in United States dollar ("USD").

The error has led to a misclassification of distributable reserves as the profits and loss for the respective periods prior to 2015, may not have been correctly calculated. Currently the impact of on distributable profits is not applicable as the Company is not distributing dividends.

In the event the Directors wish to declare dividend payments from the company, the extent of distributable reserves available would be assessed at that time. In addition for any future distribution reference can be made to the ICAEW technical release on the Realised and distributable profits under the Companies Act 2006 and legal advice would be sought at that time if necessary

The correction of the error resulted in the following movements within the financials for both 2016 and 2017 below:

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2016 Restatements:

	As previously reported 2016 US\$000's	Adjustments 2016 US\$000's (Restated)	As restated 2016 US\$000's (Restated)
Assets			
Non-current Assets			
Property, plant and equipment	2	--	2
	2	--	2
Current Assets			
Trade and other receivables	355	(1)	354
Cash and cash equivalents	504	(70)	434
	859	(71)	788
Total Assets	861	(71)	790
Equity and Liabilities			
Equity			
Translation reserve	50	(85)	(35)
Accumulated losses	(2,660)	(700)	(3,360)
Total Equity	(2,610)	(785)	(3,395)
Current Liabilities			
Trade and other payables	2,256	(98)	2,158
Non-current Liabilities			
Amounts owed to Group companies	1,215	812	2,027
Total Liabilities	3,471	714	4,185
Total Equity and Liabilities	861	(71)	790

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2017 Restatements:

	As previously reported 2017 US\$000's	Adjustments 2017 US\$000's (Restated)	As restated 2017 US\$000's (Restated)
Revenue	710	3	679
Other Revenue	29	2	31
Cost of Sales	(710)	(14)	(724)
	29	(9)	(14)
General and administrative expenses	(198)	(423)	(621)
Gain/(Loss) on forex	--	107	107
Reversal of amounts owed to Group companies	109	(6)	103
Operating Loss Before Exceptional Items	(60)	(365)	(425)
Exceptional Items	416	(77)	339
Operating Profit/ (Loss) After Exceptional Items	356	(442)	(86)
Finance income	1	--	1
Profit Before/ (Loss) Taxation	357	(442)	(85)
Tax on profit/(loss)	--	--	--
Profit/(Loss) For The Financial Year	357	(442)	(85)
Other Comprehensive Income			
Currency translation	3	(320)	(317)
Total Comprehensive Income/(loss) for the year	360	(762)	(402)

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	As previously reported 2017 US\$000's	Adjustments 2017 US\$000's (Restated)	As restated 2017 US\$000's (Restated)
Assets			
Non-current Assets			
Property, plant and equipment	1	--	1
	<u>1</u>	<u>--</u>	<u>1</u>
Current Assets			
Trade and other receivables	4	27	31
Amounts owed by Group companies	13	(13)	--
Cash and cash equivalents	579	14	593
	<u>596</u>	<u>28</u>	<u>624</u>
Total Assets	<u>597</u>	<u>28</u>	<u>625</u>
Equity and Liabilities			
Equity			
Translation reserve	53	(405)	(352)
Accumulated losses	(2,303)	(1,142)	(3,445)
Total Equity	<u>(2,250)</u>	<u>(1,547)</u>	<u>(3,797)</u>
Liabilities			
Current Liabilities			
Trade and other payables	81	(17)	64
Current Liabilities	<u>81</u>	<u>(17)</u>	<u>64</u>
Non-current Liabilities			
Amounts owed to Group companies (restated)	2,766	1,592	4,358
Total Liabilities	<u>2,847</u>	<u>1,575</u>	<u>4,422</u>
Total Equity and Liabilities	<u>597</u>	<u>28</u>	<u>625</u>

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20. Ultimate Parent Company And Controlling Party

The immediate parent undertaking is Bayfield Energy Limited

The ultimate parent undertaking and controlling party is Trinity Exploration & Production Plc (Trinity), a company incorporated in the United Kingdom and registered in England and Wales.

Trinity is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2018. The consolidated financial statements of Trinity are available from Pinsent Masons LLP 1 Park Row, Leeds England, LS1 5AB.

21. Subsequent Events

There were no subsequent event recorded after year end.