



Summary Consolidated Financial Statements for the year ended 30 September 2021

Chairman's Report for the year ended 30 September 2021

Financial Performance

Against the backdrop of strengthening demand for crude and higher market prices in 2021, Heritage and its subsidiaries (Heritage, the Company) have continued to deliver strong earnings and cash generation for 2021.

Revenue for the year was \$6.8 billion (2020: \$4.7 billion) driven by improved crude oil prices (averaging 31% higher than 2020) and higher production levels. In addition to the strong revenue generation, disciplined cost management has contributed to profit before tax of \$2 billion, representing a 97% increase from 2020.

Heritage generated significant value with cash from operations in 2021 of \$2.9 billion (2020: \$1.7 billion) which allowed the Company to:

- Fund a Capital Program of \$498 million in Production Winning, Asset Integrity and Infrastructure and Technology upgrades.
- Contribute \$2 billion in taxes, royalties and levies to the Government of Trinidad and Tobago; and
- Settle all debt obligations across the Trinidad Petroleum Holdings Limited (TPHL) Group.

Production

Year on year, overall crude production grew by 5% to 41,200 bopd. In the face of the ongoing pandemic and a volatile economic environment, this is especially noteworthy and testament to the Company's commitment and ability to rise above the operational challenges presented by Covid-19. The Company had another successful year of Replacing Reserves with a top quartile 109% reserves replacement ratio through a strong focus on Workovers, Production Optimisation and Improved Oil Recovery.

Refinancing

As of the date of this publication, I am pleased to report that the Company would have successfully closed the refinancing of the Senior Secured debt of the Group via a tender offer for the TPHL 2026 Notes and the issuance of a new Heritage 2029, US\$500 million bond and a new US\$475 million Heritage Term Loan. The refinancing provided significant benefits to the TPHL Group, including lowering our weighted average cost of debt, extending our average life of debt maturities thereby freeing up near term cash for production winning

activities and curing the administrative defaults that arose as a result of the late publication of the TPHL Consolidated 2019 Financials. Importantly, from a national perspective, the refinancing has resulted in all of the non-core assets of TPHL, including agricultural, residential and recreational lands being made fully available to be best utilised by the Government of Trinidad and Tobago for the benefit of the citizenry.

Environmental, Social and Governance (ESG)

We continue to shape our sustainability agenda and our first ESG Report (soon to be published on our website) tells the narrative of the Company's journey and achievements over the period 2020 to 2021. As part of our commitment to accelerating progress on our key sustainability programmes (protecting the environment, building community capacity, supporting economic development and empowering future leaders), we have undertaken a comprehensive review of our operations and systems. Our ESG Report reflects our commitment to continuous improvement as we strive to become a more sustainable and resilient business.

Environmental Sustainability

Protecting the environment is an integral part of Heritage's Strategic Plan; our sponsorship of the Wild Fowl Trust, a habitat for an array of wetland birds, some of which have been listed as endangered, continued in 2021.

Corporate Social Responsibility (CSR)

From 2020 to 2021, Trinidad and Tobago grappled with the social and economic effects of the Covid-19 pandemic. While plans were underway for stakeholder engagement and exercises in community relations, many of those plans were curtailed, but we were able to pivot and change our proposals to suit the needs of our fenceline communities. We delivered food hampers where there was significant need and our 'Here We Grow' Programme donated over 4,000 seedlings to promote home gardening. During this very challenging period, we also supported the Collation Against Domestic Violence.

Education

Education continued to be Heritage's primary focus area as the Company developed The Heritage Education Resource Opportunity (HERO) Programme, a scholarship offering \$100,000 to aid top performing SEA students within our fenceline

communities, covering education expenses from Secondary School through to a Bachelor's Degree. The first cohort of students benefitted from this initiative in 2020, and a second cohort received awards in 2021.

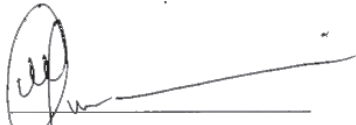
We also established our Graduate Trainee Programme, onboarding 20 graduate trainees, as we continued our efforts to develop the next generation of professionals. Under this program, trainees are provided with coaching, guidance, and relevant work experience. The skills and experience gained through this programme will be invaluable to the graduate trainees throughout their career journey.

Additionally, we partnered with various community-based groups focused on youth and community development such as the La Brea Student Support Centre and the Palo Seco Diatonics, Youth Music Literacy Programme.

Finally, in recognition of the tremendous impact of Covid-19 on the need for virtual schooling, 500 computers were distributed to organisations such as the Children's Authority of Trinidad and Tobago and the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT), as well as to primary and secondary school students throughout our fenceline communities.

Outlook for 2022

As the pandemic is ongoing, we continue to take steps to support and protect our employees and contractors. The strong financial results of 2021, as well as a sustained period of robust oil prices and the expected launch of our Drilling Programme in the current fiscal year, gives me the confidence that we are well placed to show continued growth in 2022 and progress our strategy. We are delivering for today while planning for the future. I conclude as usual, by publicly thanking the members of the Board and the management and staff for their hard work and continued support and commitment to what is an extremely critical national enterprise.



Michael A.A. Quamina
 Chairman



Heritage

PETROLEUM
COMPANY LIMITED
AND ITS SUBSIDIARIES



Summary Consolidated Financial Statements for the year ended 30 September 2021 (continued)

Independent Auditor's Report

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED AND ITS SUBSIDIARIES

Report on the Audit of the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 30 September 2021, the summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows for the year then ended and related notes, are derived from the audited consolidated financial statements of Heritage Petroleum Company Limited and its subsidiaries (the "Group") for the year ended 30 September 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Note 2. In addition to the summary consolidated financial statements and our auditor's report thereon, the summary consolidated financial statements contains other information that consists of the Chairman's report.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards (IFRS). Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and auditor's report thereon. The summary consolidated financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified opinion on the audited consolidated financial statements in our report dated 22 April 2022. That report also includes:

- Emphasis of the Matter - *Uncertainty Related to Going Concern* section that draws attention to Note 2 in the audited consolidated financial statements. These events or conditions, as set forth in Note 2 of the audited consolidated financial statements, indicate that a uncertainty exists. These matters are addressed in Note 2 of the summary consolidated financial statements.

Other information included in the Group's 2021 Summary Consolidated Financial Statements

In addition to the summary consolidated financial statements and our auditor's report thereon, the summary consolidated financial statements contains other information which consist of the Chairman's Report. Management is responsible for the other information. Our opinion on the summary consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the summary consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the summary consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 in this regard.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with IFRSs.

Auditor's Responsibility for the Audit of the Summary Consolidated Financial Statements

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), "Engagements to Report on Summary Financial Statements".

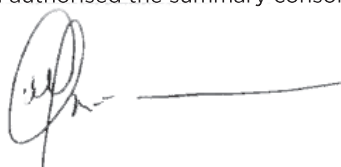
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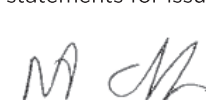
SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

(Presented in thousands of Trinidad and Tobago dollars)

| | 2021 \$ | 2020 \$ |
|---|-------------------|-------------------|
| Assets | | |
| Non-current assets | | |
| Oil and gas properties and exploration and evaluation assets | 4,013,896 | 4,705,432 |
| Other property, plant and equipment and intangible assets | 659,026 | 673,611 |
| Right of use assets | 7,497 | 6,531 |
| Investment in associate | - | 2,148 |
| Other non-current financial assets | 35,317 | 33,203 |
| Cash in escrow | 290,446 | 267,098 |
| Deferred tax assets | 1,739,394 | 1,843,293 |
| | <u>6,745,576</u> | <u>7,531,316</u> |
| Current assets | | |
| Inventories | 317,162 | 310,010 |
| Trade and other receivables | 524,468 | 325,079 |
| Due from related parties | 1,933,908 | 128,854 |
| Other current financial assets | 7,196 | 13,525 |
| Income taxes recoverable | 177 | 148,991 |
| Restricted cash - debt service reserve | 177,276 | 177,692 |
| Short-term investment | 156,284 | 156,239 |
| Cash and cash equivalents | 2,070,986 | 1,100,731 |
| | <u>5,187,457</u> | <u>2,361,121</u> |
| Assets held for sale | 300,314 | 304,130 |
| | <u>5,487,771</u> | <u>2,665,251</u> |
| Total assets | <u>12,233,347</u> | <u>10,196,567</u> |
| Equity attributable to owners of the parent | | |
| <i>Capital and reserves</i> | | |
| Stated capital | - | - |
| Retained earnings | 3,110,904 | 2,428,067 |
| Consolidated reserve | (237,366) | (237,366) |
| Currency translation differences | (148,479) | (116,671) |
| | <u>2,725,059</u> | <u>2,074,030</u> |
| Non-controlling interests | (60,456) | (60,370) |
| Total equity | <u>2,664,603</u> | <u>2,013,660</u> |
| Non-current liabilities | | |
| Decommissioning provision | 4,608,446 | 5,221,640 |
| Lease liabilities | 7,103 | 5,988 |
| Trade and other payables | 34,953 | 15,765 |
| Deferred tax liabilities | 2,339,417 | 1,814,672 |
| | <u>6,989,919</u> | <u>7,058,065</u> |
| Current liabilities | | |
| Trade and other payables | 723,463 | 600,165 |
| Lease liabilities | 1,853 | 1,615 |
| Due to related parties | 520,778 | 197,961 |
| Current tax liabilities | 495,940 | - |
| Borrowings | 321,139 | 321,540 |
| Decommissioning provision | - | 3,561 |
| | <u>2,063,173</u> | <u>1,124,842</u> |
| Liabilities directly associated with the assets held for sale | 515,652 | - |
| | <u>2,578,825</u> | <u>1,124,842</u> |
| Total liabilities | <u>9,568,744</u> | <u>8,182,907</u> |
| Total equity and liabilities | <u>12,233,347</u> | <u>10,196,567</u> |

On 24 May 2022, the Board of Directors of Heritage Petroleum Company Limited authorised the summary consolidated financial statements for issue.

Director: 

Director: 



Summary Consolidated Financial Statements for the year ended 30 September 2021 (continued)

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2021

(Presented in thousands of Trinidad and Tobago dollars)

| | Year ended 30 September 2021 | Year ended 30 September 2020 |
|--|------------------------------------|------------------------------------|
| | \$ | \$ |
| Revenue from contracts with customers | 6,827,022 | 4,739,793 |
| Cost of sales | (4,419,031) | (3,117,817) |
| Gross profit | 2,407,991 | 1,621,976 |
| Other operating income | 27,545 | 16,492 |
| Impairment on oil and gas properties and exploration and evaluation assets | (58,769) | (9,011) |
| Impairment on assets held for sale | - | (184,935) |
| Administrative expenses | (179,390) | (186,660) |
| Operating profit | 2,197,377 | 1,257,862 |
| Share of (loss)/profit of associates accounted for using the equity method, net of tax | (357) | 734 |
| Net finance costs | (241,965) | (266,697) |
| Profit before taxation | 1,955,055 | 991,899 |
| Taxation (expense)/credit | (1,272,374) | 25,961 |
| Profit for the year | 682,681 | 1,017,860 |
| Other comprehensive income | | |
| <i>Items that would not be reclassified to profit or loss</i> | | |
| Currency translation differences | (31,738) | (5,920) |
| Total comprehensive income for the year | 650,943 | 1,011,940 |
| Profit attributable to: | | |
| Equity holders of the parent | 682,837 | 1,017,548 |
| Non-controlling interests | (156) | 312 |
| | <u>682,681</u> | <u>1,017,860</u> |
| Total comprehensive income attributable to: | | |
| Equity holders of the parent | 651,029 | 1,011,743 |
| Non-controlling interests | (86) | 197 |
| | <u>650,943</u> | <u>1,011,940</u> |

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

(Presented in thousands of Trinidad and Tobago dollars)

| | Year ended 30 September 2021 | Year ended 30 September 2020 |
|---|------------------------------------|------------------------------------|
| | \$ | \$ |
| Operating activities | | |
| Profit before taxation | 1,955,055 | 991,899 |
| Adjustments to reconcile profit to net cash from operating activities: | | |
| Depreciation, depletion and amortisation | 493,789 | 542,333 |
| Impairment on oil and gas properties | 58,769 | 9,011 |
| Impairment on assets held for sale | - | 184,935 |
| Loss on disposal | 349 | - |
| Change in decommissioning provision | (19,752) | (74,665) |
| Finance cost - unwinding of decommissioning provision | 240,287 | 268,602 |
| Finance cost - leases | 540 | 424 |
| Finance income | (415) | (6,332) |
| Supplemental petroleum tax | 293,626 | - |
| Increase in cash in escrow | (23,348) | (46,189) |
| Increase in trade and other receivables | (199,389) | (33,659) |
| (Increase)/decrease in inventory | (7,152) | 62,767 |
| Increase in due from related parties | (127,644) | (74,364) |
| Increase/(decrease) in due to related parties | 379,893 | (63,666) |
| Increase in trade and other payables | 142,486 | 72,259 |
| Taxes paid | 3,187,094 | 1,833,355 |
| | (293,626) | (150,450) |
| Net cash generated from operating activities | 2,893,468 | 1,682,905 |
| Net cash used in investing activities | (186,434) | (547,418) |
| Net cash used in financing activities | (1,736,122) | (1,019,929) |
| Currency translation differences relating to cash and cash equivalents | (657) | (5,084) |
| Net increase in cash and cash equivalents | 970,912 | 115,558 |
| Cash and cash equivalent at the beginning of the year | 1,100,731 | 990,257 |
| Cash and cash equivalents, at end of year | 2,070,986 | 1,100,731 |



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Summary Consolidated Financial Statements for the year ended 30 September 2021 (continued)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

(Presented in thousands of Trinidad and Tobago dollars)

| | Stated Capital | Retained Earnings | Consolidation Reserve | Currency Translation differences | Non-Controlling Interest | Total |
|--|----------------|-------------------|-----------------------|----------------------------------|--------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Year ended 30 September 2021 | | | | | | |
| Balance at 1 October 2020 | - | 2,428,067 | (237,366) | (116,671) | (60,370) | 2,013,660 |
| Profit/(loss) for the year | - | 682,837 | - | - | (156) | 682,681 |
| Other comprehensive income/(loss) for the year | - | - | - | (31,808) | 70 | (31,738) |
| Total comprehensive income/(loss) for the year | - | 682,837 | - | (31,808) | (86) | 650,943 |
| Balance as at 30 September 2021 | - | 3,110,904 | (237,366) | (148,479) | (60,456) | 2,664,603 |
| Year ended 30 September 2020 | | | | | | |
| Balance at 1 October 2019 | - | 1,410,519 | (237,366) | (110,866) | (60,567) | 1,001,720 |
| Profit for the year | - | 1,017,548 | - | - | 312 | 1,017,860 |
| Other comprehensive loss for the year | - | - | - | (5,805) | (115) | (5,920) |
| Total comprehensive income/(loss) for the year | - | 1,017,548 | - | (5,805) | 197 | 1,011,940 |
| Balance as at 30 September 2020 | - | 2,428,067 | (237,366) | (116,671) | (60,370) | 2,013,660 |

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

(Presented in thousands of Trinidad and Tobago dollars)

1. Corporate Information

Heritage Petroleum Company Limited ("Heritage" or the "Group") was incorporated in the Republic of Trinidad and Tobago on 5 October 2018. Heritage is primarily engaged in exploration, development, production and marketing of crude oil. The sole shareholder is Trinidad Petroleum Holdings Limited (TPHL). The ultimate parent is the Government of the Republic of Trinidad and Tobago (GORTT). The registered office is 9 Queen's Park West, Port of Spain, Trinidad and Tobago, West Indies. Heritage Petroleum Company Limited and its consolidated subsidiaries ("the Group") operate in Trinidad and Tobago and the United Kingdom.

Prior to Heritage's formation, its exploration and production activities were conducted by a related party, Petroleum Company of Trinidad and Tobago Limited (Petrotrin). Petrotrin undertook a restructuring in 2018 and by virtue of the Miscellaneous Provisions (Heritage Petroleum Company Limited, Paria Fuel Trading Company Limited (Paria), Guaracara Refining Company Limited (Guaracara) Vesting) Bill, 2018 ("Vesting Act"); effective 1 December 2018, Petrotrin's assets relative to exploration and production (E&P), were vested in Heritage Petroleum Company Limited. Petrotrin's assets related to terminalling and refinery operations were vested to Paria and Guaracara respectively. The associated decommissioning and dismantlement obligations in respect of E&P, terminalling and refining operations were also transferred to the respective entities. As a result, Heritage's opening assets and liabilities originated as a result of the above, with the corresponding liability due to Petrotrin. The carrying amounts of the assets and liabilities were accounted for using the predecessor values method because they arose from a common-control transaction. The ultimate ownership of Heritage is with Corporation Sole, the same as before the restructuring described above.

(a) Investment in Associate

As at 31 March 2021, the Board of Directors approved the plan to sell PFLE, an associate with 19.5% share. The sale is expected to be completed one year from the reporting date and is expected to be part of the Colibri Development sale. Therefore, as at 30 September 2021, the investment in associate was classified as held for sale.

(b) Investment in Subsidiaries

The Group's subsidiary as at 30 September 2021 consists of Trinidad and Tobago Marine Petroleum Company Limited (Trintomar). On 30 October 2020, Trinidad Northern Areas Limited (TNA) was struck off the Companies Register.

2. Basis of presentation

Management has prepared a full set of consolidated financial statements in accordance with the International Financial Reporting Standards but has summarized it by disclosing the summary consolidated statement of financial position, summary consolidated statement of comprehensive income, summary consolidated changes in equity and summary consolidated statement of cash flows for the year ended 30 September 2021 and selected notes to the summary consolidated financial statements comprising certain significant accounting policies and other explanatory information. The summary consolidated financial statements are expressed in thousands of Trinidad and Tobago Dollars. The full set of the audited consolidated financial statements are available at <http://trinidadpetroleum.co.tt/investor-relations/financial-statements/>.

The summary consolidated financial statements have been extracted from the audited consolidated financial statements for the year ended 30 September 2021 and do not include the accounting policies notes that are contained in the audited consolidated financial statements.

Going concern

The summary consolidated financial statements have been prepared on a going concern basis, which assumes the Group will be able to meet its legal and financial obligations. The validity of the going concern basis is dependent on finance being available for the continuing working capital requirements for the Group in the foreseeable future, being at least twelve months from the date of approval of the audited consolidated financial statements.

The ongoing operations of the Group are dependent on its ability to utilise effectively its cash reserves and the directors recognize that the continuing operations of the Group requires the optimisation of planned activities to preserve cash.

Heritage (as well as Paria and Guaracara) is a Guarantor of the parent company's, (TPHL's), senior secured and unsecured debt obligations. Collectively, Heritage, TPHL, Paria and Guaracara are the Loan Parties.

TPHL and the Guarantors are currently in default of certain covenants of the Credit Agreement and Indenture.

The directors and management have been advised that the Loan Parties, in consultation with the Administrative Agent of the Lenders, have been working on a plan to address such defaults with the Lenders by applying for waivers and consents or considering a refinancing that would address these issues. Management has concluded a Request for Proposal (RFP) process as part of the TPHL Group Refinancing currently being undertaken. The refinancing is expected to be completed within twelve months of the approval of these consolidated financial statements. The Group believes that these waivers and consents will be granted by the Lenders as part of this refinancing. The Loan Parties already have worked with the Lenders to successfully execute a waiver in 2020 for similar previous events of default under the Credit Agreement.



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Summary Consolidated Financial Statements for the year ended 30 September 2021 (continued)

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

(Presented in thousands of Trinidad and Tobago dollars)

2. Basis of presentation (continued)

Going concern (continued)

With this precedent, combined with the positive nature of discussions between the Loan Parties and the Lenders to date, the directors and management are of the view that there is a strong likelihood that the execution of the waivers for the current events of default, is expected within twelve months of the approval of these consolidated financial statements either independently or as part of a refinancing.

TPHL and the Guarantors, through their quarterly compliance reporting process have kept the Administrative Agent of the lenders apprised of these recent "events of default". The Board and Management working jointly with the Administrative Agent of the Lenders have agreed and approved a plan to address these "events of default" as part of the current TPHL Group refinancing process being undertaken which is expected to be completed within twelve months of the approval of these consolidated financial statements.

The current defaults can be divided in three different groups.

First, failure by TPHL to deliver its audited consolidated financial statements for the period ended 30 September 2019, which triggered an event of default under the Credit Agreement and a default under the Indenture (the "FS Default").

Second, the Loan Parties have performed certain actions as part of their operations that are not permitted to be performed during the period in which a default or event of default has occurred and has continued to occur. Such actions include, but are not limited to, incurring capital expenditures relating to exploration and for the development of proved, undeveloped reserves and making investments in Petrotrin for the payment of interest in respect of Petrotrin's short-term debt. Because the Loan Parties have performed such actions during the FS Default, other defaults and/or events of defaults have been triggered under the Credit Agreement and/or the Indenture.

Third, the Loan Parties have failed to comply with certain other covenants under the Credit Agreement that are unrelated to the occurrence and continuance of the FS Default, including, making certain investments in Petrotrin, which payments constitute restricted payments. These actions have triggered defaults and/or events of defaults under the Credit Agreement.

In addition, an event of default under the Credit Agreement may, under certain circumstances, trigger an event of default under the Indenture. Similarly, a default under the Indenture may under certain circumstances trigger an event of default under the Credit Agreement.

Under the Indenture, a default resulting from the failure to comply with the covenants thereunder (other than a payment default) is not an "event of default" until the Trustee (at the direction of Holders holding more than 50% in aggregate principal amount of the Notes) or the Holders holding more than 25% in aggregate principal amount of the Notes then outstanding notifies TPHL (and in the case of such notice by Holders, the Group and the Trustee) of the default and TPHL does not cure such default within the time specified after receipt of such notice. No such Notice of Default has been received by TPHL as of the approval date of these consolidated financial statements.

However, an event of default exists under the Indenture's cross-default provision resulting from the events of default existing under the Credit Agreement. Notwithstanding the above, (i) the consent of Lenders holding more than 50% of the aggregate principal amount of the Loans is still required to accelerate the Loans under the Credit Agreement, and (ii) the Holders holding more than 25% in aggregate principal amount of the Notes then outstanding still need to direct the Trustee to, in which case the Trustee by written notice to the Group, or the Required Holders by written notice to the Group and the Trustee may, declare the principal and accrued and unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. It is important to note that no such consent on the part of the Lenders or direction on the part of the Holders has occurred.

Additionally, only the voting creditors holding more than 50% of the aggregate principal of the claims outstanding (i.e., combined exposure of loans and bonds) shall be entitled to enforce on the collateral.

It should be noted that none of the events of default under the Credit Agreement or Indenture are debt service or payment related defaults, as Heritage on behalf of TPHL continues to make all interest and principal payments under the terms of the Credit Agreement and the Indentures during 2021 and 2022 as follows:

| | Credit agreement \$ | Indenture \$ | Total \$ |
|---|------------------------|-----------------|-------------|
| Payments in 2021 | | | |
| Interest | 267,238 | 459,898 | 727,136 |
| Principal | 749,658 | 140,044 | 889,702 |
| Total | 1,016,896 | 599,942 | 1,616,838 |
| Payments made since 1 October 2021 to 31 March 2022 | | | |
| Interest | 128,531 | 242,871 | 371,402 |
| Principal | 390,736 | 70,057 | 460,793 |
| Total | 519,267 | 312,928 | 832,195 |

The Group reports payments made to the Lenders as an increase in amounts due from related party TPHL.

In addition, the Directors have obtained a letter of financial support from its Ultimate Parent, GORTT, which can be called upon if needed to meet its legal and financial obligations as they fall due.

3. Statement of compliance

The summary consolidated financial statements have been prepared in accordance with International Financial reporting standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements comply with the IFRS as issued by the International Accounting Standards Board (IASB).

4. Functional and presentation currency

Items included in the summary consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The United States dollar is the Group's functional currency. The summary consolidated financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand, which is the Group's presentation currency. The Group's main stakeholders are the Government of the Republic of Trinidad and Tobago, the Ministry of Finance, The Ministry of Energy and Energy Industries and its employees.

5. Use of Estimates and judgements

The preparation of these summary consolidated financial statements in conformity with IFRS 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. The areas involving a higher degree of judgement or complexity, or areas where the assumptions and estimates are significant to the summary consolidated financial statements are disclosed within the audited consolidated financial statements.

6. Summary of Significant accounting policies

The principal accounting policies applied in the preparation of these summary consolidated financial statements are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 30 September 2021.

7. Subsequent events

- The letter of credit established to meet Heritage's 15% share of its abandonment liability with respect to its TSP Joint Interest was increased to US\$23,203 equivalent (TT\$156,540) effective 31 December 2021.
- Subsequent to year end, crude prices have averaged US\$94/barrel up to February 2022 compared to US\$60/barrel for the 12 months ended 30 September 2021.
- Heritage received net cash proceeds of US\$2,400 equivalent (TT\$16,207) on 28th December 2021 representing a one-time Petroleum Production Bonus cash payment arising from the Reserve Asset Sale of Heritage's Participating Interest in Block 3(a).
- On 18 April 2022, the Board of Directors of Heritage approved the intercompany transfer of the amount receivable by the Company from the Petroleum Company of Trinidad and Tobago Limited (Petrotrin) to Trinidad Petroleum Holdings Limited (TPHL) effective 31 March 2022.

Further, Heritage proposed that the Board of Directors declare a final dividend for FY 2021, an interim dividend for the half year ended 31 March 2022 and a special dividend ahead of the financial year end to distribute to its shareholder TPHL, the assurance process for which is currently being addressed by the Board of Directors and regulatory authorities. It is intended that the dividends will be distributed over a period of 12 months from the 13 April 2022, the date of approval of the 30 September 2021 audited consolidated financial statements.