



Heritage

PETROLEUM
COMPANY LIMITED
AND ITS SUBSIDIARIES



UNAUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

Chairman's Statement for the period 1 September 2021 to 31 March 2022

Heritage Petroleum Company Limited (Heritage) is reporting revenue of TT\$4.5 billion for the first six months of fiscal 2022 (1 September 2021 to 31 March 2022). This represents a 50% increase over the same period for fiscal 2021, where revenue stood at TT\$3 billion.

During the last quarter, the Oil and Gas Industry has been impacted by the continuing effects of the Covid-19 pandemic along with the ongoing war in Ukraine, both of which have had a disruptive impact on the global supply chain. We too, at Heritage, have been impacted by the said disruption, with delays, uncertainty and cost increases for services and equipment which are essential to support our production-winning activities, as well as asset integrity programmes. We have also undoubtedly benefitted, by way of higher crude market pricing, with Brent averaging US\$89 per barrel, up 68% from one year ago. Heritage nevertheless remains focused and vigilant in the proactive management of these external factors, while ensuring the delivery of the Company's plans through its investment strategy and sound cost management.

Financial Performance

Revenue for the half year ended 31 March 2022 of TT\$4.5 billion (2021: TT\$3 billion) is a 50% increase over prior comparative period levels and reflective, as aforementioned, of improved demand for crude and crude products as world economies move towards pre-pandemic activity levels coupled with market uncertainty regarding the Ukraine conflict.

These improved market conditions, along with disciplined cost management, have led to Heritage generating a profit before tax improvement of 55% to TT\$1.4 billion (2021: TT\$0.9 billion). Net profit or profit after tax for the period is TT\$557 million, which is lower than the comparative period in 2021 of \$835 million, primarily as a result of the full utilisation of Capital Allowances, on the E&P Assets, against Petroleum Profits Tax in prior years. These allowances, which were previously available due to the vesting of the Exploration and Production assets in 2018 from Petrotrin, are now no longer available as a deduction against profits. As a result, Heritage is now subject to an increased income tax expense of TT\$832

million compared to TT\$16 million in the same period for 2021.

It is also important to note that cash flows generated from operations were TT\$2.6 billion (2021: TT\$1.2 billion) and cash balances stand at a healthy TT\$2.2 billion after:

- Investing TT\$87 million in our forward drilling programme and workover campaigns;
- Executing our asset integrity plans on our plant and pipeline networks;
- Investing in automation and technology;
- Contributing TT\$2.3 billion in Supplementary Petroleum Tax, Petroleum Profits Tax, royalties and levies to the Government of Trinidad and Tobago due and payable for the period (2021: TT\$321 million). This brings the total contribution to the national treasury to TT\$6 billion since Heritage began operations on 1 December 2018; and
- Continuing to fund the debt obligations, which were inherited from Petrotrin and lie throughout the Trinidad Petroleum Holdings (TPHL) Group.

Production

The second quarter production was again admittedly challenged by several factors. The Heritage teams operated in a quarter where they were faced with challenges while managing mature oilfields, the aforementioned global supply chain issues, along with equipment reliability problems, as a consequence of the advanced age of the assets. Our teams have been working to identify and leverage the technical expertise required to improve the reliability and performance of the said assets. In the meantime, strong activity and keen focus on executing the 2022 Drilling and Workover programmes on Land and Offshore are continuing.

Environmental, Social and Governance (ESG)

We are now well into the planning cycle of our second report due in the second quarter of 2023. As stated in the first quarter, our ESG reporting is now a key component of our strategic business planning and will be published annually. Key learnings and insights from the assurance process behind the preparation of the first report, are helping us to strengthen all aspects of our programme, from materiality assessment and risk analysis to our framework and optimisation focus areas. We

remain committed to embedding ESG metrics and improvement into our business, and in so doing, building long-term sustainable value for our stakeholders and the country.

Heritage never loses sight of its commitment to the communities around its operations and has demonstrated this through several Corporate Social Responsibility initiatives geared towards sustainable development. Every year, the Heritage Education Resource Opportunity (HERO) programme, awards four top performing SEA students with scholarships of \$100,000 each to cover education expenses through secondary school up to earning a bachelor's degree. Heritage has expanded this programme and now also offers HERO Leadership Development to the students. The Company is also advancing additional community-based training in agriculture, information technology and music literacy geared towards building community capacity.

Closing

At the half year, the Company was pursuing the refinancing of the TPHL long-term loans with major instalments due in June 2022. The successful completion of this refinancing will improve the long-term cash position of the Company so that it can continue to invest in its production growth agenda in addition to positively impacting the credit rating of Heritage and the wider TPHL Group in the global capital markets.

These results for the first six months of fiscal 2022 show that Heritage continues to generate significant value by executing its strategy and delivering strong results in a disciplined financial framework. Once again, I would like to express my sincere thanks and appreciation to the Board, Management and Staff, especially those at the forefront of the operations, as Heritage continues to deliver positive results for the benefit of the people of Trinidad and Tobago.

Michael A.A. Quamina
Chairman



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UNAUDITED SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

(Presented in Thousands of Trinidad and Tobago Dollars)



SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

(Presented in thousands of Trinidad and Tobago dollars)

	March 2022 \$ (Unaudited)	September 2021 \$ (Audited)
Assets		
Non-current assets		
Oil and gas properties and exploration and evaluation assets	3,816,200	4,013,896
Other property, plant and equipment and intangible assets	653,622	659,026
Right of use assets	42,179	7,497
Other non-current financial assets	52,585	35,317
Cash in escrow	302,183	290,446
Deferred tax assets	1,738,979	1,739,394
	<u>6,605,748</u>	<u>6,745,576</u>
Current assets		
Inventories	463,132	317,162
Trade and other receivables	514,876	524,468
Due from related parties	2,923,605	1,933,908
Other current financial assets	1,801	7,196
Income taxes recoverable	177	177
Restricted cash - debt service reserve	177,487	177,276
Short-term investment	156,824	156,284
Cash and cash equivalents	2,197,060	2,070,986
	<u>6,434,962</u>	<u>5,187,457</u>
Assets held for sale	300,666	300,314
	<u>6,735,628</u>	<u>5,487,771</u>
Total assets	<u>13,341,376</u>	<u>12,233,347</u>

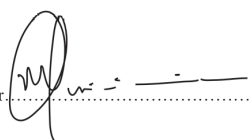
SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022


(Presented in thousands of Trinidad and Tobago dollars)

(continued)

	March 2022 \$ (Unaudited)	September 2021 \$ (Audited)
Equity attributable to owners of the parent		
<i>Capital and reserves</i>		
Stated capital	-	-
Retained earnings	3,668,785	3,110,904
Consolidated reserve	(237,366)	(237,366)
Currency translation differences	(161,549)	(148,479)
	<u>3,269,870</u>	<u>2,725,059</u>
Non-controlling interests	(60,921)	(60,456)
Total equity	<u>3,208,949</u>	<u>2,664,603</u>
Non-current liabilities		
Decommissioning provision	4,710,201	4,608,446
Lease liabilities	43,369	7,103
Trade and other payables	51,379	34,953
Deferred tax liabilities	2,255,813	2,339,417
	<u>7,060,762</u>	<u>6,989,919</u>
Current liabilities		
Trade and other payables	899,052	723,463
Lease liabilities	1,589	1,853
Due to related parties	744,340	520,778
Current tax liabilities	589,091	495,940
Borrowings	321,337	321,139
	<u>2,555,409</u>	<u>2,063,173</u>
Liabilities directly associated with the assets held for sale	516,256	515,652
	<u>3,071,665</u>	<u>2,578,825</u>
Total liabilities	<u>10,132,427</u>	<u>9,568,744</u>
Total equity and liabilities	<u>13,341,376</u>	<u>12,233,347</u>

On 28 June 2022, the Board of Directors of Heritage Petroleum Company Limited authorised these summary consolidated financial statements for issue.

Director.....


Director.....




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(Presented in Thousands of Trinidad and Tobago Dollars)



SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2022

(Presented in thousands of Trinidad and Tobago dollars)

	31 March 2022 \$ (Unaudited)	31 March 2021 \$ (Unaudited)
Revenue from contracts with customers	4,528,940	2,921,213
Cost of sales	<u>(2,971,012)</u>	<u>(1,763,859)</u>
Gross profit	1,557,928	1,157,354
Other operating income	18,253	13,723
Impairment on asset held for sale	-	(113,775)
Administrative expenses	<u>(89,448)</u>	<u>(82,561)</u>
Operating profit	1,486,733	974,741
Net finance costs	<u>(97,290)</u>	<u>(123,970)</u>
Profit before taxation	1,389,443	850,771
Income tax expense	<u>(832,007)</u>	<u>(15,971)</u>
Profit for the period	557,436	834,800
Other comprehensive income		
<i>Items that would not be reclassified to profit or loss</i>		
Currency translation differences	<u>(13,090)</u>	<u>(257)</u>
Total comprehensive income for the period	<u>544,346</u>	<u>834,543</u>
Profit attributable to:		
Equity holders of the parent	557,881	834,941
Non-controlling interests	<u>(445)</u>	<u>(141)</u>
	<u>557,436</u>	<u>834,800</u>
Total comprehensive income attributable to:		
Equity holders of the parent	544,811	834,801
Non-controlling interests	<u>(465)</u>	<u>(258)</u>
	<u>544,346</u>	<u>834,543</u>

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2022

(Presented in thousands of Trinidad and Tobago dollars)

	31 March 2022 \$ (Unaudited)	31 March 2021 \$ (Unaudited)
Operating activities		
Profit before tax	1,389,443	850,771
Adjustments to reconcile profit to net cash from operating activities:		
Depreciation, depletion and amortization	287,788	257,023
Impairment on held for sale assets	-	113,775
Finance cost - unwinding of decommissioning provision	96,314	123,408
Finance cost - leases	985	216
Finance income	(357)	(103)
Supplemental petroleum tax	<u>593,876</u>	<u>-</u>
Operating profit before working capital changes	2,368,049	1,345,090
Decrease/(increase) in trade and other receivables	9,592	(188,981)
Increase/(decrease) in inventory	(145,970)	22,307
Change in cash in escrow	(11,737)	(12,199)
Increase in due from related parties	(73,283)	-
Increase in due to related parties	223,562	-
Increase in trade and other payables	<u>192,015</u>	<u>66,621</u>
Cash flows generated from operating activities	2,562,228	1,232,838
Taxes paid	<u>(1,415,921)</u>	<u>-</u>
Net cash generated from operating activities	<u>1,146,307</u>	<u>1,232,838</u>
Investing activities		
Repayment on advances	5,395	6,774
Proceeds from assets held for sale	-	307,246
Investment in held for sale assets	-	(192,998)
Investment in financial assets	(17,268)	-
Purchase of oil and gas properties and exploration and evaluation assets	(60,968)	(51,513)
Purchase of other property, plant and equipment and intangible assets	<u>(26,246)</u>	<u>(25,655)</u>
Net cash (used in)/generated from investing activities	<u>(99,087)</u>	<u>43,854</u>
Financing activities		
Cash payment on leases	(5,211)	(113)
Change in debt service reserve	-	59
Net movement in related parties	<u>(916,414)</u>	<u>(865,606)</u>
Net cash used in financing activities	<u>(921,625)</u>	<u>(865,660)</u>
Currency translation differences relating to cash and cash equivalents	479	3,110
Net increase in cash and cash equivalents	125,595	411,032
Cash and cash equivalents at the beginning of the period	<u>2,070,986</u>	<u>1,100,731</u>
Cash and cash equivalents, at end of period	<u>2,197,060</u>	<u>1,514,873</u>



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(Presented in Thousands of Trinidad and Tobago Dollars)



SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2022

(Presented in thousands of Trinidad and Tobago dollars)

	Stated capital \$	Retained earnings \$	Consolidation reserve \$	Currency translation \$	Non- controlling interests \$	Total \$
Unaudited period ended 31 March 2022						
Balance at 1 October 2021	-	3,110,904	(237,366)	(148,479)	(60,456)	2,664,603
Profit/(loss) for the year	-	557,881	-	-	(445)	557,436
Other comprehensive loss for the year	-	-	-	(13,070)	(20)	(13,090)
Total comprehensive income/(loss) for the year	-	557,881	-	(13,070)	(465)	544,346
Balance as at 31 March 2022	-	3,668,785	(237,366)	(161,549)	(60,921)	3,208,949
Unaudited period ended 31 March 2021						
Balance at 1 October 2020	-	2,428,067	(237,366)	(116,671)	(60,370)	2,013,660
Profit/(loss) for the year	-	834,941	-	-	(141)	834,800
Other comprehensive income for the year	-	-	-	(140)	(117)	(257)
Total comprehensive income for the year	-	834,941	-	(140)	(258)	834,543
Balance as at 31 March 2021	-	3,263,008	(237,366)	(116,811)	(60,628)	2,848,203

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2022

(Presented in thousands of Trinidad and Tobago dollars)

1. Corporate Information

Heritage Petroleum Company Limited ("Heritage") 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 subsidiaries as at 31 March 2022 consists of Trinidad and Tobago Marine Petroleum Company Limited (Trintomar).

2. Basis of presentation

These summary consolidated financial statements for the six-months ended 31 March 2022 has been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.

These summary consolidated financial statements do not include the full set of notes normally included in the annual audited financial statements. These statements include the summary consolidated statement of financial position, summary consolidated statement of comprehensive income, summary statement of changes in equity and summary statement of cash flows for the period ended 31 March 2022 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. Accordingly, this report is to be read in conjunction with the audited consolidated financial statements for the year ended 30 September 2021 of Heritage and any public announcements made by the Company during the year. The full set of the audited consolidated financial statements are available at <http://trinidadpetroleum.co.tt/investor-relations/financial-statements/>.



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NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2022

(Presented in thousands of Trinidad and Tobago dollars)

2. Basis of presentation (continued)

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. These debt obligations were refinanced with the issuance of a new Heritage 2029 \$500M Bond and a new \$475M Heritage Term Loan (See Note 7 b).

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.

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 May 2022			
Interest	168,173	317,628	485,801
Principal	3,331,377	4,000,138	7,331,515
Total	3,499,550	4,317,766	7,817,316

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



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NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2022

(Presented in thousands of Trinidad and Tobago dollars)

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

- 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.

- b. On 26 May 2022, Heritage successfully closed the refinancing of the senior secured debt of the TPHL Group via a tender offer for the TPHL 2026 Notes and the issuance of a new Heritage 2029 \$500M Bond and a new \$475M Heritage Term Loan. Upon the issuance of the new bond and term loan, the TPHL Group's "events of default", as outlined in Note 2, were resolved and removed.