



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 September 2024

Chairman's Statement Audited Financials for the year ended 30 September 2024

In 2024, Heritage Petroleum Company Limited (Heritage) maintained healthy financial and operational results and continues to drive improved recovery in its assets through technology and modernisation. Heritage successfully drilled and completed eight wells in our onshore and offshore fields. Offshore, we significantly reduced the time from drilling to production, underscoring our commitment to being Bigger, Bolder and Faster. Heritage's cost discipline and fiscal practices have enabled us to cover operational costs, capital investments, as well as fulfil all financial obligations, including taxes and loan repayments. In summary, fiscal year 2024 was another strong year for the Company, further demonstrating it to be a sustainable source of production and value for Trinidad and Tobago. The figures presented are in Trinidad and Tobago dollars.

Generating Value and Maintaining Steady Financial Performance

Revenue for 2024 decreased by 9% to \$8.25 billion (2023: \$9.1 billion). Overall, Molo crude revenue increased both in volumes and price. However, this was offset by the decrease in traded cargo volumes. Molo's crude revenue increased by 8% year-on-year as the heavy crude market strengthened. Gross profit margin increased from 28% in 2023 to 37% in 2024 as we lowered costs, improved margins and reduced activity in high-cost fields.

Heritage achieved a profit before tax of \$2.30 billion (2023: \$2.18 billion), marking a 6% increase from the previous year. We met all commitments to investors while paying \$2.95 billion in royalties, levies and other taxes to the Government of the Republic of Trinidad and Tobago. As at 30 September 2024, since inception, the Company has contributed \$14.75 billion to the Government in royalties, levies, and other taxes. Heritage maintained another strong financial performance in 2024.

Capital expenditure increased by 23% to \$1.08 billion (2023: \$880 million), reflecting continued investment in production, asset integrity, developmental drilling, infrastructure, and technology. The Company paid \$1.2 billion in principal and interest, meeting all legacy debt commitments for the Trinidad Petroleum Holdings Limited (TPHL) Group of Companies. The Company has repaid \$8.0 billion towards the legacy debt to date.

Reserves and Production

Heritage's Reserve Replacement Ratio (RRR) increased by 8%, from 65% in 2023 to 73% for 2024. The Reserves to Production Ratio (R/P) is 7.5 years, and we expect RRR and R/P to continue to increase in the coming years based on planned activities for both our onshore and offshore assets. Heritage's five

(5) year average RRR is 107%, surpassing the five-year average last year for Global International Oil Companies, which was 73%.

We have continued to average approximately 40,000 bopd. East Soldado remains a key area to drive production and growth. We have several new wells producing in this area, and we are targeting four similar wells in 2025. In addition, we are exploring new areas, extending existing field outlines, and drilling untapped areas within our existing fields. We continue to renew and modernise our infrastructure to minimise down time and improve base performance, helping drive future production growth.

Safety and ESG Commitment

Heritage's safety performance further improved, as it embeds a safety and growth mindset culture throughout the organisation. Recordable rate, long term injuries, and spill volume have all improved reflecting the Company's steadfast commitment to responsible operations and continuous improvement across its assets and activities.

Heritage continued its commitment to ESG principles, achieving a 31% reduction in methane emissions from the 2022 baseline and exceeding our 2026 target ahead of schedule. This significant improvement is largely attributable to the success of our methane reduction programme offshore which delivered a step change in methane abatement. To further validate and enhance our emissions transparency, we initiated the process to join the Oil and Gas Methane Partnership (OGMP) 2.0 and the International Energy Agency Greenhouse Gas (IEAGHG) programme, aligning with leading international frameworks for methane measurement and carbon mitigation. Our ESG disclosures, all fully assured, continue to evolve in step with global best practice. Building on this momentum, Heritage is now reassessing its emissions reduction targets to reflect this early success and identify new areas for impact.

Strengthening Community Capacity

Heritage continues to be a contributor to Trinidad and Tobago through our Corporate Social Responsibility programmes. Heritage has invested time and resources on impactful and sustainable social programmes, with special emphasis on the people who live in our surrounding communities. We have deepened our biodiversity and conservation efforts, invested over \$31 million in community and economic development, and strengthened stakeholder engagement through our inaugural Community and Social Impact Assessment. Together with our technological investments in emissions tracking and digitalisation, we are nurturing resilience, driving innovation and creating long-term value for Trinidad and Tobago.

Over the past six years, we averaged over 1,300 employee and third-party contractor jobs annually and funnelled 95.4% of our expenditure into local suppliers and vendors. Our supply chain, coupled with our vast network of partners and vendors, enabled over 5,500 additional jobs across the country.

Heritage's social investment strategy continues to encourage employee volunteerism, donations, and sponsorship initiatives in programmes that empower future leaders, build community capacity, focus on education and food security, and promote environmental sustainability.

Expansion Strategy

To grow production, we continue to drill new wells, both onshore and offshore, while improving field performance through production optimisation initiatives, including state-of-the-art technology. We continue to invest in high-margin opportunities for sustainable growth by planning at least twelve new wells and related works in fiscal year 2025 to boost output, improve recovery, and extend field life. With remote monitoring technology, we expect to continue to enhance onshore and offshore well uptime and reduce lifting costs.

With six years of strong performance, we are positioned for long-term success in the ever-evolving energy landscape. Our strategy of disciplined cost management, prioritising high-margin opportunities, upgrading our portfolio, and driving sustainable operations will continue to deliver strong results for the Company and for all of Trinidad and Tobago.

Additionally, we are evaluating new licence opportunities and extending our core licences to include deeper potential. Asset integrity projects are also progressing to maintain the safety, reliability, and efficiency of our operations. This includes regular maintenance, renewals and replacements, and the application of cutting-edge technologies to prevent failures and extend asset life.

In conclusion, I extend my appreciation to the Heritage team for their dedication, effort, persistence, and passion. As a unified team, we will continue to contribute to Trinidad and Tobago and play a significant role in the energy sector.

Michael A.A. Quamina S.C.
Chairman



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 September 2024

(continued)

Independent Auditor's Report

TO THE SHAREHOLDER OF HERITAGE PETROLEUM COMPANY LIMITED
AND ITS SUBSIDIARY

Report on the Audit of the Summary Consolidated Financial Statements

Opinion

The summary consolidated financial statements of Heritage Petroleum Company Limited and its subsidiary, which comprise the summary consolidated statement of financial position as at 30 September 2024, 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 subsidiary (the "Group") for the year ended 30 September 2024.

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.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the IFRS Accounting Standards. 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 Audited Consolidated Financial Statements and Our Report Thereon

We expressed an unmodified opinion on the audited consolidated financial statements in our report dated 20 March 2025. The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

Responsibilities of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with IFRS Accounting Standards.

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".

EY

Port of Spain,
TRINIDAD:
2 April 2025

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

(Presented in thousands of Trinidad and Tobago Dollars)

	2024 \$	2023 \$
Assets		
Non-current assets		
Oil and gas properties and exploration and evaluation assets	4,070,866	3,713,229
Other property, plant and equipment and intangible assets	1,105,454	751,961
Right of use assets	14,160	25,428
Other non-current financial assets	7,434	7,445
Due from related parties	10,235,159	9,984,408
Cash in escrow	389,718	345,957
Deferred tax assets	1,455,645	1,546,523
	<u>17,278,436</u>	<u>16,374,951</u>
Current assets		
Inventories	318,452	400,984
Trade and other receivables	436,376	518,617
Due from related parties	1,349,556	1,043,548
Income taxes recoverable	17,042	16,544
Restricted cash - debt service reserve	75,525	92,862
Short-term investment	148,504	13,092
Cash and cash equivalents	500,488	1,340,312
	<u>2,845,943</u>	<u>3,425,959</u>
Total Assets	<u>20,124,379</u>	<u>19,800,910</u>
Equity attributable to owners of the parent		
Capital and reserves		
Stated capital	-	-
Retained earnings	5,581,703	5,043,097
Consolidated reserve	(237,366)	(237,366)
Currency translation differences	(164,798)	(157,055)
	<u>5,179,539</u>	<u>4,648,676</u>
Non-controlling interests	2,230	557
Total Equity	<u>5,181,769</u>	<u>4,649,233</u>
Non-current liabilities		
Trade and other payables	82,464	73,638
Decommissioning provision	4,754,889	4,594,250
Lease liabilities	4,450	17,625
Borrowings	5,518,246	5,926,723
Deferred tax liability	2,244,581	1,981,957
	<u>12,604,630</u>	<u>12,594,193</u>
Current liabilities		
Trade and other payables	1,164,182	1,127,880
Lease liabilities	14,949	12,351
Income tax liability	260,788	394,504
Due to related parties	492,906	649,636
Borrowings	405,155	373,113
	<u>2,337,980</u>	<u>2,557,484</u>
Total Liabilities	<u>14,942,610</u>	<u>15,151,677</u>
Total Equity and Liabilities	<u>20,124,379</u>	<u>19,800,910</u>

The accompanying notes form an integral part of these summary consolidated financial statements.

On 28 March 2025, the Board of Directors of Heritage Petroleum Company Limited authorised these summary consolidated financial statements for issue.



Director



Director



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 September 2024 (continued)

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

(Presented in thousands of Trinidad and Tobago Dollars)

	2024 \$	2023 \$
Revenue from contracts with customers	8,246,344	9,101,286
Cost of sales	(5,181,552)	(6,553,923)
Gross profit	3,064,792	2,547,363
Other operating income	9,656	397,102
Impairment (expense)/reversal on oil and gas properties and exploration and evaluation assets	(14,516)	28,094
Administrative expenses	(272,292)	(258,795)
Operating profit	2,787,640	2,713,764
Net finance costs	(483,974)	(538,337)
Profit before taxation	2,303,666	2,175,427
Taxation expense	(1,363,387)	(695,492)
Profit for the year	940,279	1,479,935
Other comprehensive (loss)/income		
<i>Items that would not be reclassified to profit or loss</i>		
Currency translation differences	(7,743)	538
Total comprehensive income for the year	932,536	1,480,473
Profit attributable to:		
Equity holders of the parent	938,606	1,415,934
Non-controlling interests	1,673	64,001
	<u>940,279</u>	<u>1,479,935</u>
Total comprehensive income attributable to:		
Equity holders of the parent	930,863	1,416,472
Non-controlling interests	1,673	64,001
	<u>932,536</u>	<u>1,480,473</u>

The accompanying notes form an integral part of these summary consolidated financial statements.

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

(Presented in thousands of Trinidad and Tobago Dollars)

	2024 \$	2023 \$
Operating activities		
Profit before taxation	2,303,666	2,175,427
Adjustments to reconcile profit to net cash from operating activities:		
Depreciation, depletion and amortisation	306,286	480,344
Impairment expense/(reversal) on oil and gas properties	14,516	(28,094)
Change in decommissioning provision	(121,757)	(27,729)
Finance cost - unwinding of decommissioning provision	334,012	381,260
Finance cost - leases	928	1,558
Dividend income	(327)	(269)
Amortised costs on borrowings	16,714	17,491
Trintomar debt forgiveness	-	(321,842)
Interest expense on borrowings	622,530	704,896
Working capital changes		
Supplemental petroleum tax	1,062,786	1,144,573
Increase in cash in escrow	(43,761)	(31,670)
Decrease/(increase) in inventory	82,532	(72,517)
Decrease/(increase) in trade and other receivables	82,241	(1,567)
Increase in due from related parties	(305,951)	(194,744)
Decrease in due to related parties	(145,696)	(216,862)
Increase in trade and other payables	45,128	207,053
	<u>4,253,847</u>	<u>4,217,308</u>
Taxes paid	(2,206,281)	(2,326,788)
Net cash generated from operating activities	2,047,566	1,890,520
Net cash used in investing activities	(1,211,895)	(852,709)
Net cash used in financing activities	(1,664,273)	(1,756,474)
Currency translation differences relating to cash and cash equivalents	(11,222)	17,123
Net decrease in cash and cash equivalents	(828,602)	(718,663)
Cash and cash equivalent at the beginning of the year	1,340,312	2,041,852
Cash and cash equivalents, at end of year	500,488	1,340,312

The accompanying notes form an integral part of these summary consolidated financial statements.



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS for the year ended 30 September 2024 (continued)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024 (Presented in thousands of Trinidad and Tobago Dollars)

	Stated Capital	Retained Earnings	Consolidated Reserve	Currency Translation Differences	Non- Controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 September 2024						
Balance at 1 October 2023	-	5,043,097	(237,366)	(157,055)	557	4,649,233
Profit for the year	-	938,606	-	-	1,673	940,279
Other comprehensive loss for the year	-	-	-	(7,743)	-	(7,743)
Total comprehensive income for the year	-	938,606	-	(7,743)	1,673	932,536
Dividends	-	(400,000)	-	-	-	(400,000)
Balance as at 30 September 2024	-	5,581,703	(237,366)	(164,798)	2,230	5,181,769
Year ended 30 September 2023						
Balance at 1 October 2022	-	3,627,163	(237,366)	(157,593)	(63,444)	3,168,760
Profit for the year	-	1,415,934	-	-	64,001	1,479,935
Other comprehensive income for the year	-	-	-	538	-	538
Total comprehensive income for the year	-	1,415,934	-	538	64,001	1,480,473
Balance as at 30 September 2023	-	5,043,097	(237,366)	(157,055)	557	4,649,233

The accompanying notes form an integral part of these summary consolidated financial statements.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

(Presented in thousands of Trinidad and Tobago Dollars)

1. Corporate Information

Heritage Petroleum Company Limited ("Heritage" or "Parent") 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 registered office is 9 Queen's Park West, Port of Spain, Trinidad and Tobago, West Indies. Heritage Petroleum Company Limited and its subsidiary ("the Group") operate in Trinidad and Tobago.

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.

The Group's subsidiary as at 30 September 2024 consists of Trinidad and Tobago Marine Petroleum Company Limited (Trintomar).

2. Basis of presentation

Management has prepared a full set of consolidated financial statements in accordance with the IFRS Accounting 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 2024 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: <https://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 2024 and do not include the material 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 finances being available for the continuing working capital requirements of the Group for the foreseeable future, being a period of at least twelve months from the reporting date of the summary consolidated financial statements.

3. 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 Parent'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 and its employees.



SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 September 2024
(continued)

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

(Presented in thousands of Trinidad and Tobago Dollars)
(continued)

4. Use of estimates and judgements

The preparation of the summary consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements, estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

5. Summary of material accounting policies

The material 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 2024.

6. Subsequent events

- a. Subsequent to the year end, crude oil prices (Brent ICE) averaged US\$75.04/barrel up to February 2025, compared to US\$82.02/barrel for the 12 months ended 30 September 2024.

- b. 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\$26,926 (TT equivalent \$181,456) effective 1 January 2025.
- c. On 13 December 2024, Touchstone Exploration (Trinidad) Limited entered into an agreement with Shell Trinidad Central Block Limited to acquire its 65% operating working interest in the Central Block exploration and production license and gas processing plant. Heritage continues to hold 35% interest in the joint operation.
- d. On 19 December 2024, the Board of Directors approved an amount of \$400,000 in relation to dividends payable to TPHL.
- e. On 22 December 2024, there was an incident in Heritage's offshore acreage involving Rig 110 which is owned and operated by Well Services Petroleum Company Limited (WSPCL). WSPCL was contracted to provide drilling equipment and services, while undertaking this work its rig lost stability and the rig-floor collapsed. Arising from this incident, one of WSPCL personnel was injured and another remains unaccounted for as at the date of this report. Investigations are still ongoing by the Occupational Safety and Health Agency (OSHA) and Heritage, any financial and other related implications will only be known upon completion of these investigations.