



## **UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the period ended 31 March 2024**

(Presented in Thousands of Trinidad and Tobago Dollars)

### **Heritage Petroleum Company Limited Chairman's Statement**

Heritage Petroleum Company Limited ("Heritage") continues to achieve strong financial and operational performance in alignment with its strategic objectives of stabilising, strengthening, and optimising the nation's hydrocarbon assets. The 2024 half-year results reflect ongoing safe operations and robust financial health, underpinned by a significant resource base. We continue to invest in modernising our infrastructure and drilling wells both onshore and offshore. Heritage's fiscal strategies effectively cover operational expenses, capital projects, and all financial obligations, including taxes and loan repayments. All figures provided are in Trinidad and Tobago dollars.

#### **Financial Performance**

Revenue for the six-month period from October 1, 2023, to March 31, 2024, amounted to \$4.0 billion, reflecting a 3% increase compared to \$3.9 billion in 2023. The profit before tax for the period was \$956 million, up from \$779 million in 2023 and cash flows generated from operations were \$864 million. The company remains intensely focused on disciplined cost controls to enhance margins and operational cash flow. This enabled Heritage to self-fund all key operational, capital, statutory, and debt commitments, including:

- Increasing investments in production, asset integrity, developmental drilling, infrastructure, and technology, resulting in a higher capital expenditure of \$287 million (2023: \$265 million).
- Delivering \$1.56 billion to the Government of the Republic of Trinidad and Tobago.
- Repaying \$518 million in principal and interest in fulfilment of legacy debt commitments for the Trinidad Petroleum Holdings Limited (TPHL) Group of Companies.

#### **ESG Commitment and Progress**

Heritage is committed to sustainability and innovation, reflecting our role as a responsible state enterprise. Our 4th Environmental, Social and Governance (ESG) report is underway, and as we continue to set ambitious targets for measurable impact, aligned with industry best practices, our goal is to reduce Greenhouse Gas (GHG) emissions by 30% by 2026, with a 40% reduction in carbon intensity by 2030 (from our 2022 baseline). Beyond emissions, we continue to integrate biodiversity conservation, waste management, and water stewardship into our operations. On the technology front, we are transforming our operations through the digitalisation of our fields to drive efficiency and sustainability. Our ESG and technology approach goes beyond compliance; it acts as a catalyst for resilience, innovation and shared value creation for all stakeholders.

#### **Enhancing Community Strength**

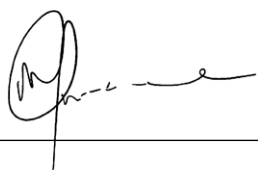
Investing in the sustainable development of Trinidad and Tobago through Corporate Social Responsibility programmes is imperative for Heritage Petroleum. Over the last six years, we placed focus on sustainable social programmes in nearby communities. As a consequence, we recently signed a Memorandum of Understanding (MOU) with the Faculty of Engineering, University of the West Indies which is aimed at advancing research and development within the energy sector and fostering synergy between industry and academia to drive innovation and sustainability throughout the oil and gas industry. Our strategy encourages employee volunteerism, donations, and sponsorships to empower future leaders, build community capacity, enhance education, improve food security, and support environmental sustainability.

#### **Operational and Strategic Growth**

Crude production for the six-month period averaged 39,000 bopd. To grow production, we continue to drill onshore and offshore while improving field performance through production optimisation. We are investing in high-margin opportunities for sustainable growth, by planning fifteen new wells and related works in fiscal year 2025 to boost output, improve recovery, and extend field life. Asset integrity projects are also progressing to maintain the safety, reliability, and efficiency of our operations. 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, and driving sustainable operations will continue to deliver strong results for the company and for all of Trinidad and Tobago.

I conclude by extending my appreciation to the entire Heritage leadership and staff for their dedication, hard work, determination, and enthusiasm. As one team on one journey, with one goal, we continue to uphold our core values as we work to grow production sustainably and deliver returns to all our stakeholders.



**Michael A.A. Quamina S.C.**  
Chairman

## UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024

(Presented in Thousands of Trinidad and Tobago Dollars)

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

(Presented in thousands of Trinidad and Tobago dollars)

	Notes	March 2024 \$ (Unaudited)	September 2023 \$ (Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Oil and gas properties and exploration and evaluation assets		3,685,470	3,713,229
Other property, plant and equipment and intangible assets		858,434	751,961
Right of use assets		19,771	25,428
Other non-current financial assets		7,433	7,445
Due from related parties		10,235,711	9,984,408
Cash in escrow		357,460	345,957
Deferred tax assets		1,551,102	1,546,523
		<u>16,715,381</u>	<u>16,374,951</u>
<b>Current assets</b>			
Inventories	7	448,049	400,984
Trade and other receivables		439,829	518,617
Due from related parties	10	839,455	1,043,548
Income taxes recoverable		16,517	16,544
Restricted cash - debt service reserve		82,272	92,862
Short-term investment	8	167,630	13,092
Cash and cash equivalents	9	887,827	1,340,312
		<u>2,881,579</u>	<u>3,425,959</u>
<b>Total assets</b>		<u>19,596,960</u>	<u>19,800,910</u>

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

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

	Notes	March 2024 \$ (Unaudited)	September 2023 \$ (Audited)
<b>Equity attributable to owners of the parent</b>			
<i>Capital and reserves</i>			
Stated capital		-	-
Retained earnings		5,041,703	5,043,097
Consolidated reserve		(237,366)	(237,366)
Currency translation differences		(160,654)	(157,055)
		<u>4,643,683</u>	<u>4,648,676</u>
Non-controlling interests		511	557
Total equity		<u>4,644,194</u>	<u>4,649,233</u>
<b>Non-current liabilities,</b>			
Borrowings	11	5,733,782	5,926,723
Decommissioning provision	12	4,753,616	4,594,250
Lease liabilities		12,106	17,625
Trade and other payables		77,916	73,638
Deferred tax liabilities		2,155,436	1,981,957
		<u>12,732,856</u>	<u>12,594,193</u>
<b>Current liabilities</b>			
Trade and other payables		942,127	1,127,880
Lease liabilities		11,097	12,351
Due to related parties	10	604,627	649,636
Current tax liabilities		289,500	394,504
Borrowings	11	372,559	373,113
		<u>2,219,910</u>	<u>2,557,484</u>
<b>Total liabilities</b>		<u>14,952,766</u>	<u>15,151,677</u>
<b>Total equity and liabilities</b>		<u>19,596,960</u>	<u>19,800,910</u>

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

On 10 June 2024, the Board of Directors of Heritage Petroleum Company Limited authorised these interim condensed consolidated financial statements for issue.



Director



Director



## UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024

(Presented in Thousands of Trinidad and Tobago Dollars)

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2024

(Presented in thousands of Trinidad and Tobago dollars)

	Notes	31 March 2024 \$ (Unaudited)	31 March 2023 \$ (Unaudited)
Revenue from contracts with customers	13	4,036,111	3,912,263
Cost of sales		(2,697,926)	(2,856,679)
<b>Gross profit</b>		<b>1,338,185</b>	<b>1,055,584</b>
Other operating income	14	4,049	388,044
Administrative expenses		(137,697)	(123,225)
<b>Operating profit</b>		<b>1,204,537</b>	<b>1,320,403</b>
Net finance costs	15	(248,787)	(541,650)
<b>Profit before taxation</b>		<b>955,750</b>	<b>778,753</b>
Income tax expense	16	(557,190)	(399,402)
<b>Profit for the period</b>		<b>398,560</b>	<b>379,351</b>
<b>Other comprehensive income</b>			
<i>Items that would not be reclassified to profit or loss</i>			
Currency translation differences		(3,599)	285
<b>Total comprehensive income for the period</b>		<b>394,961</b>	<b>379,636</b>
<b>Profit attributable to:</b>			
Equity holders of the parent		398,606	315,222
Non-controlling interests		(46)	64,129
		<u>398,560</u>	<u>379,351</u>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		395,007	315,507
Non-controlling interests		(46)	64,129
		<u>394,961</u>	<u>379,636</u>

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2024

(Presented in thousands of Trinidad and Tobago dollars)

	31 March 2024 \$ (Unaudited)	31 March 2023 \$ (Unaudited)
<b>Operating activities</b>		
Profit before tax	955,750	778,753
Adjustments to reconcile profit to net cash from operating activities:		
Depreciation, depletion and amortization	206,667	223,066
Finance cost - unwinding of decommissioning provision	166,895	190,566
Finance cost - borrowings	324,933	379,357
Finance cost - leases	464	773
Dividend income	(178)	(134)
Transaction Costs	8,929	9,555
Debt forgiveness	-	(321,842)
Supplemental petroleum tax	567,723	695,991
Decrease in trade and other receivables	78,788	65,672
Increase in inventory	(47,065)	(364,380)
Increase in cash in escrow	(11,503)	(12,045)
Increase in amounts due from related parties	(104,796)	(95,205)
Decrease in due to related parties	(40,417)	(354,138)
(Decrease)/increase in trade and other payables	(181,475)	171,307
Cash flows generated from operating activities	1,924,715	1,367,296
Taxes paid	(1,060,786)	(1,472,127)
<b>Net cash generated from/(used in) operating activities</b>	<b>863,929</b>	<b>(104,831)</b>
<b>Investing activities</b>		
Change in debt service reserve	10,823	89,088
Change in investment	(154,538)	-
Dividend income	178	134
Purchase of oil and gas properties and exploration and evaluation assets	(149,791)	(243,727)
Purchase of other property, plant and equipment and intangible assets	(137,660)	(21,483)
<b>Net cash used in investing activities</b>	<b>(430,988)</b>	<b>(175,988)</b>
<b>Financing activities</b>		
Cash payment on leases	(7,237)	(7,149)
Interest paid on loans	(324,933)	(379,357)
Dividends paid	(400,000)	(600,000)
Payment on long term borrowings	(192,953)	-
Net movement in related parties	52,994	394,888
<b>Net cash used in financing activities</b>	<b>(872,129)</b>	<b>(591,618)</b>
Currency translation differences relating to cash and cash equivalents	(13,297)	16,868
<b>Net decrease in cash and cash equivalents</b>	<b>(439,188)</b>	<b>(872,437)</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>1,340,312</b>	<b>2,041,852</b>
<b>Cash and cash equivalents, at end of period</b>	<b>887,827</b>	<b>1,186,283</b>

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



# Heritage

**PETROLEUM**  
COMPANY LIMITED

AND ITS SUBSIDIARY

## UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024

(Presented in Thousands of Trinidad and Tobago Dollars)

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 MARCH 2024

(Presented in thousands of Trinidad and Tobago dollars)

	Stated capital \$	Retained earnings \$	Consolidation reserve \$	Currency translation \$	Non- controlling interests \$	Total \$
<b>Unaudited period ended 31 March 2024</b>						
Balance at 1 October 2023	-	5,043,097	(237,366)	(157,055)	557	4,649,233
Profit for the year	-	398,606	-	-	(46)	398,560
Other comprehensive loss for the year	-	-	-	(3,599)	-	(3,599)
Total comprehensive income/(loss) for the year	-	398,606	-	(3,599)	(46)	394,961
Dividend proposed	-	(400,000)	-	-	-	(400,000)
<b>Balance as at 31 March 2024</b>	<b>-</b>	<b>5,041,703</b>	<b>(237,366)</b>	<b>(160,654)</b>	<b>511</b>	<b>4,644,194</b>
<b>Unaudited period ended 31 March 2023</b>						
Balance at 1 October 2022	-	3,627,163	(237,366)	(157,593)	(63,444)	3,168,760
Profit for the period	-	315,222	-	-	64,129	379,351
Other comprehensive loss for the period	-	-	-	285	-	285
Total comprehensive income for the period	-	315,222	-	285	64,129	379,636
<b>Balance as at 31 March 2023</b>	<b>-</b>	<b>3,942,385</b>	<b>(237,366)</b>	<b>(157,308)</b>	<b>685</b>	<b>3,548,396</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

(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 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.

##### (a) Investment in subsidiary

The Group's subsidiary as at 31 March 2024 consists of Trinidad and Tobago Marine Petroleum Company Limited (Trintomar).

#### 2. Basis of presentation

The interim condensed consolidated financial statements for the six months ended 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The Heritage Group has prepared the interim condensed

consolidated financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 September 2023 which are available at:

<https://trinidadpetroleum.co.tt/investor-relations/financial-statements/>

##### Going concern

The interim condensed 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 in the foreseeable future, being at least twelve months from the date of approval of the interim condensed 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.

#### 3. Summary of Significant accounting policies

The principal accounting policies applied in the preparation of these interim condensed consolidated financial statements are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 30 September 2023.

#### 4. Functional and presentation currency

Items included in the interim condensed 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 interim condensed 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, potential investors, lenders of the TPHL Group and associated parties and its employees.



## UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024

(Presented in Thousands of Trinidad and Tobago Dollars)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2024

(Presented in thousands of Trinidad and Tobago dollars)

#### 5. Oil and gas properties and exploration and evaluation assets

##### Acquisitions and disposals:

During the six months ended 31 March 2024, the Group acquired assets with a cost of \$149,791 (30 September 2023: \$754,244).

#### 6. Other property, plant and equipment and intangible assets

##### Acquisitions and disposals:

During the six months ended 31 March 2024, the Group acquired assets with a cost of \$137,660 (30 September 2023: \$126,989).

#### 7. Inventories

	31 March 2024 (Unaudited) \$	30 September 2023 (Audited) \$
Crude oil	355,246	312,679
Materials and supplies	134,011	129,041
Provision for obsolescence	(41,208)	(40,736)
	<u>448,049</u>	<u>400,984</u>

During the six-month period ended 31 March 2024, \$540 (30 September 2023: net credit of \$7,887) was recognised as an expense for the write down of inventories. This is recognised in cost of sales.

#### 8. Short term investment

	31 March 2024 (Unaudited) \$	30 September 2023 (Audited) \$
Opening amount as at 1 October	13,092	13,062
Change	<u>154,538</u>	<u>30</u>
Closing amount as at 30 September	<u>167,630</u>	<u>13,092</u>

(a) The opening investment comprises cash collateral held for a standby letter of credit (See Note 17 c (ii)).

(b) The change in the investment, relates to the purchase of a demand deposit account in February 2024 with a foreign financial institution. The deposit attracts interest of 5.52%.

#### 9. Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	31 March 2024 (Unaudited) \$	30 September 2023 (Audited) \$
Cash and cash equivalents	<u>887,827</u>	<u>1,340,312</u>

#### 10. Related party disclosures

##### a. Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 March 2024 \$ (Unaudited)	30 September 2023 \$ (Audited)
<i>(i) Due from related parties</i>		
<b>Non-current</b>		
Trinidad Petroleum Holdings Limited*	<u>10,235,711</u>	<u>9,984,408</u>
<b>Current</b>		
Trinidad Petroleum Holdings Limited	-	400,000
Petroleum Company of Trinidad and Tobago Limited	91,167	56
The Guaracara Refining Company Limited	10	-
Paria Fuel Trading Company Limited	58	35
The Government of the Republic of Trinidad and Tobago (GORTT)	-	-
- Value Added Tax refundable	<u>748,220</u>	<u>643,457</u>
	<u>839,455</u>	<u>1,043,548</u>
<i>(ii) Due to related parties</i>		
Petroleum Company of Trinidad and Tobago Limited	114,533	119,125
Paria Fuel Trading Company Limited	8,074	8,754
The Guaracara Refining Company Limited	204	322
The Government of the Republic of Trinidad and Tobago (GORTT)	-	-
- Production taxes	60,929	53,923
- Royalties	167,252	182,779
- Supplemental petroleum taxes	<u>253,635</u>	<u>284,733</u>
	<u>604,627</u>	<u>649,636</u>

\* The Group has an intercompany loan with its Parent Company arising out of the refinancing in financial year 2022 of TPHL's existing debt. This debt was interest free and due and payable on demand. However, effective 1 October 2022 the loan agreement was amended to state that the debt is repayable over (7) seven years at an effective interest rate of 7.3%. Accordingly, interest income of \$277,143 was recognised in the consolidated statement of comprehensive income (Note 15).

#### 11. Borrowings

	31 March 2024 \$ (Unaudited)	30 September 2023 \$ (Audited)
Total Borrowings of which:		
Current Portion	372,559	373,113
Non-current portion	<u>5,733,782</u>	<u>5,926,723</u>
	<u>6,106,341</u>	<u>6,299,836</u>



# Heritage

**PETROLEUM**  
COMPANY LIMITED

AND ITS SUBSIDIARY

## UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024

(Presented in Thousands of Trinidad and Tobago Dollars)

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

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

#### 11. Borrowings (continued)

	Interest rate %	Maturity	\$	\$
<b>Current</b>				
i) Term loan - US\$475m	10.84	5 May 2029	372,559	373,113
			<u>372,559</u>	<u>373,113</u>
<b>Non-current</b>				
i) Term loan - US\$475m	10.84	5 May 2029	2,403,969	2,593,890
ii) 2029 Notes - US\$500m	9.00	12 August 2029	3,329,813	3,332,833
			<u>5,733,782</u>	<u>5,926,723</u>

#### i) Term Loan Facility - US\$475m

This is a senior secured seven (7) years floating interest rate Term Loan facility with an initial principal of US\$475 million. Interest is payable quarterly in arrears on 15 March, 15 June, 15 September, and 15 December. There is a one (1) year moratorium on principal with non-linear quarterly amortisations which commenced in June 2023. The Term Loan Credit Agreement was executed on 5 May 2022 and the facility matures on 5 May 2029. The principal balance outstanding on the Term Loan as at 31 March 2024 was US\$418,000 (TT equivalent \$2,816,233).

#### ii) 2029 Notes - US\$500m

This is a senior secured seven (7) years fixed coupon International Bond. US\$500 million 7-years bullet Bond at a 9% p.a fixed coupon rate. Interest on this bond is payable semi-annually in arrears in February and August of each year, with the first interest payment on 12 February 2023. The principal is payable at maturity on 12 August 2029. This borrowing was effective 12 May 2022. The principal balance outstanding on the 2029 Notes as at 31 March 2024 was US\$500,000 (TT equivalent \$3,368,700).

#### 12. Decommissioning provision

The decommissioning provision as at 31 March 2024 has been estimated using existing technology, at current prices using an escalation rate of 2% (30 September 2023: 2%) and discounted at rates of 7.27% (30 September 2023: 7.27%) based on the United States Treasury risk free rates and specific country risks.

#### 13. Revenue from contracts with customers

	Six months ended 31 March 2024 \$ (Unaudited)	Six months ended 31 March 2023 \$ (Unaudited)
Crude oil sales	3,800,388	3,624,076
Natural gas sales	77,828	125,145
Royalty income	150,222	157,097
Natural gas liquid sales	7,673	5,945
	<u>4,036,111</u>	<u>3,912,263</u>

#### 14. Other operating income

	Six months ended 31 March 2024 \$ (Unaudited)	Six months ended 31 March 2023 \$ (Unaudited)
Pipeline rentals	1,819	2,579
Miscellaneous rental and other income	2,230	2,584
Gain on sale of assets (i)	-	61,039
Loan - debt forgiveness (ii)	-	321,842
	<u>4,049</u>	<u>388,044</u>

#### 15. Net finance cost

	Six months ended 31 March 2024 \$ (Unaudited)	Six months ended 31 March 2023 \$ (Unaudited)
Finance charge - borrowings	(372,434)	(363,894)
Finance charge on decommissioning provision	(166,895)	(190,566)
Finance charge - bank interest	(1,451)	(1,280)
Finance charge on leases	(464)	(773)
*Interest income - related parties (Note 10)	277,143	-
Interest income - other	15,314	14,863
	<u>(248,787)</u>	<u>(541,650)</u>

\* The interest income from related parties relates to the loan agreement being amended for the debt to be repayable over a seven year period with an effective interest rate at 7.3%. This change was effectively finalised at 30 September 2023, and included in the full year results. The 2023 six-month comparative is \$268 million.

#### 16. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense for the six-month period in the interim condensed consolidated statement of comprehensive income are:

	31 March 2024 \$ (Unaudited)	31 March 2023 \$ (Unaudited)
Petroleum profit taxes	(336,487)	(316,701)
Unemployment levy	(51,085)	(48,663)
Deferred tax expense	(169,618)	(34,038)
	<u>(557,190)</u>	<u>(399,402)</u>

#### 17. Commitments and contingencies

	31 March 2024 \$ (Unaudited)	30 September 2023 \$ (Audited)
a) Capital commitments		
Authorised and contracted for and not provided for in the consolidated financial statements	<u>19,494</u>	<u>29,248</u>
b) Litigation		

The Company is a party to certain legal actions brought against it by third parties. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not result in any significant additional liabilities and therefore no provision has been made in these consolidated financial statements.

#### c) Letter of credit

(i) The Group has an outstanding senior secured letter of credit facility with a financial institution for US\$25,000 (TT equivalent \$168,435) effective 1 January 2024. This credit facility was established to meet Heritage's 15% share of its abandonment liability with respect to its TSP Joint Operation.

(ii) The Group has a performance guarantee with a financial institution for US\$1,940 (TT equivalent \$13,070). This facility was established to meet Heritage's minimum work obligation for its Trinidad Northern Areas (TNA) license and has been in effect since February 2021.

#### 18. Subsequent events

The Group has no subsequent events to report.