

## Heritage reports \$398.56m half-year profit

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STATE-OWNED oil and gas company Heritage Petroleum Co Ltd has reported a profit of \$398.56 million for the half-year ending March 31, 2024, marking an increase of \$19 million compared to the same six-month period in 2023.

According to its unaudited interim condensed consolidated financial statements for the six months ended March 31, 2024, Heritage reported that its revenue surpassed the \$4 billion mark, primarily driven by crude oil sales.

'Heritage Petroleum Company Ltd continues to achieve strong financial and operational performance in alignment with its strategic objectives of stabilising, strengthening, and optimising the nation's hydrocarbon assets,' Michael Quamina stated in his chairman's statement.

'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,' Quamina stated.

Heritage reported a profit before tax of \$956 million for the period, up from \$779 million in 2023, with cash flows generated from operations totalling \$864 million.

'The company remains intensely focused on disciplined cost controls to enhance margins and operational cash flow,' Quamina said.

This, he added, has 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 Ltd (TPHL) Group of Companies.

Quamina stated that crude production for the six-month period averaged 39,000 barrels of oil per day.

'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,' he said.

'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,' Quamina said.

Quamina said with six years of strong performance, Heritage is 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,' he said.

Heritage is committed to sustainability and innovation, and is working to reduce its greenhouse gas emissions by 30% by next year, he said.

'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),' he said.

'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,' Quamina said.

Investing in the sustainable development of this country through Corporate Social Responsibility programmes, he added, is imperative for Heritage. '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,' Quamina said.

'Our strategy encourages employee volunteerism, donations, and sponsorships to empower future leaders, build community capacity, enhance education, improve food security, and support environmental sustainability,' he said.