FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

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FILER

TRITON ENERGY LTD

CIK:**1009404**| IRS No.: **000000000** | State of Incorp.:**E9** | Fiscal Year End: **1231**
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SIC: **1311** Crude petroleum & natural gas

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED: December 31, 1998

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM ___________ TO ______________

Commission File Number: 1-11675

TRITON ENERGY LIMITED
(Exact name of registrant as specified in its charter)

CAYMAN ISLANDS	NONE
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

CALEDONIAN HOUSE MARY STREET, P.O. BOX 1043 GEORGE TOWN GRAND CAYMAN, CAYMAN ISLANDS	NONE
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 345-949-0050

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Ordinary Shares, $.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None.

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS. YES X NO

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K (SECTION 229.405 OF THIS CHAPTER) IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K. X

THE AGGREGATE MARKET VALUE OF THE OUTSTANDING ORDINARY SHARES HELD BY NON-AFFILIATES OF THE REGISTRANT AT MARCH 17, 1999 (FOR SUCH PURPOSES ONLY, ALL DIRECTORS AND EXECUTIVE OFFICERS ARE PRESUMED TO BE AFFILIATES) WAS APPROXIMATELY $244.9 MILLION, BASED ON THE CLOSING SALES PRICE OF $7 ON THE NEW YORK STOCK EXCHANGE.

AS OF MARCH 17, 1999, 36,662,819 ORDINARY SHARES OF THE REGISTRANT WERE OUTSTANDING.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF THE PROXY STATEMENT PERTAINING TO THE 1999 ANNUAL MEETING OF SHAREHOLDERS OF TRITON ENERGY LIMITED ARE INCORPORATED BY REFERENCE INTO PART III HEREOF.

TRITON ENERGY LIMITED

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ITEMS 1. AND 2. BUSINESS AND PROPERTIES

GENERAL

Triton Energy Limited is an international oil and gas exploration and production company. The Company's principal properties, operations, and oil and gas reserves are located in Colombia and Malaysia-Thailand. The Company is exploring for oil and gas in these areas, as well as in southern Europe, Africa and the Middle East.

Triton Energy Limited was incorporated in the Cayman Islands in 1995 to become the parent holding company of Triton Energy Corporation, a corporation formed in Texas in 1962 and reincorporated in Delaware in 1995. The Company's principal executive offices are located at Caledonian House, Mary Street, George Town, Grand Cayman, Cayman Islands, and its telephone number is (345) 949-0050. The terms "Company" and "Triton" when used in this report mean Triton Energy Limited and its subsidiaries and other affiliates through which Triton conducts its business, unless the context otherwise implies. Information regarding the Company can be obtained by contacting the Company's Investor Relations department at Triton Energy, 6688 North Central Expressway, Suite 1400, Dallas, Texas 75206, telephone number (214) 691-5200, or at the Company's web site, www.tritonenergy.com.

CERTAIN DEVELOPMENTS IN 1998

Sale of Triton Pipeline Colombia, Inc.

In February 1998, the Company sold Triton Pipeline Colombia, Inc., ("TPC") a wholly owned subsidiary that held the Company's 9.6% equity interest in the Colombian pipeline company, Oleoducto Central S. A. ("OCENSA"). See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 5 of Notes to Consolidated Financial Statements.

Sale of Interest in Block A-18 of the Malaysia-Thailand Joint Development Area

In July 1998, the Company signed an agreement providing financing for the development of the Company's gas reserves on Block A-18 of the Malaysia-Thailand Joint Development Area. Under terms of the agreement, consummated in August 1998, the Company sold to a subsidiary of the Atlantic Richfield Company ("ARCO") one-half of the shares of the subsidiary through which the Company owned its 50% share of Block A-18. See " - Oil and Gas Properties - Malaysia-Thailand" below, "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 5 of Notes to Consolidated Financial Statements.

Restructure of Operations

In July 1998, the Company commenced a plan to restructure the Company's operations, reduce overhead costs and substantially scale back exploration-related expenditures. The plan contemplated the closing of foreign offices in four countries, the elimination of approximately 105 positions, or 41% of the worldwide workforce, and the relinquishment or other disposal of several exploration licenses. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and notes 3 and 4 of Notes to Consolidated Financial Statements.

Stock Purchase Agreement with an Affiliate of Hicks, Muse, Tate & Furst Incorporated

In August 1998, the Company and HM4 Triton, L.P. ("HM4 Triton"), an affiliate of Hicks, Muse, Tate & Furst Incorporated ("Hicks Muse"), entered into a stock purchase agreement (the "Stock Purchase Agreement") that provided for a $350 million equity investment in the Company. The investment was effected in two stages, resulting in the issuance of 1,822,500 shares of 8% convertible preference shares ("8% Preference Shares") in September 1998 (all of which were issued to HM4 Triton) and an additional 3,177,500 8% Preference Shares in January 1999 (of which 3,114,863 shares were issued to HM4 Triton and the remainder of which were issued to the public in a rights offering). Each 8% Preference Share is convertible at any time at the option of the holder into four ordinary shares of the Company (subject to certain antidilution protections). The Company and HM4 Triton also entered into a Shareholders Agreement (the "Shareholders Agreement") pursuant to which, among other things, HM4 Triton (and its designated transferees, collectively) may designate a certain number of nominees for election to the Company's Board of Directors. Pursuant to the Shareholders Agreement, in September 1998, the size of the Company's Board of Directors was set at ten, and HM4 Triton exercised its right to designate four out of such ten directors. In addition, the Shareholders Agreement provides that, for so long as HM4 Triton and its affiliates continue to hold a certain minimum number of ordinary shares (assuming conversion of 8% Preference Shares into ordinary shares), the Company may not take certain actions without the consent of HM4 Triton, including entering into any merger or sale of substantial assets and paying dividends on ordinary shares or other shares ranking junior to the 8% Preference Shares, other than regular dividends on the Company's 5% convertible preference shares ("5% Preference Shares"). See "Item 5. Market for Registrant's Common Equity and Related Stockholder Matters," "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and notes 2, 13 and 20 of Notes to Consolidated Financial Statements.

OIL AND GAS PROPERTIES

Colombia

Through the Company's wholly owned subsidiaries, Triton Colombia, Inc. and Triton Resources Colombia, Inc. (collectively, "Triton Colombia"), the Company has varying participation interests in six licenses in Colombia.

Cusiana and Cupiagua Fields

Contract Terms. In the Andean foothills of the Llanos Basin area in eastern Colombia, Triton Colombia holds a 12% interest in the SDLA, Tauramena and Rio Chitamena contract areas, covering approximately 66,000, 36,300 and 6,700 acres, respectively, where an active development program is being carried out in the Cusiana and Cupiagua fields (the "Fields"). The area is located approximately 160 kilometers (100 miles) northeast of Bogota . Triton's partners in these areas are Empresa Colombiana De Petroleos ("Ecopetrol"), the Colombian national oil company, with a 50% interest, BP Exploration Company (Colombia) Limited ("BP"), the operator, with a 19% interest, and TOTAL Exploratie en Produktie Maatschippij B.V. ("TOTAL"), also with a 19% interest. Triton's net revenue interest is approximately 9.6% after governmental royalties. Triton's net revenue is reduced by up to 0.36% pursuant to an agreement with an original co-investor, subject to Triton being reimbursed for a proportionate share of related expenditures.

The Company and its private partners have secured the right to produce oil and gas from the SDLA and Tauramena contract areas through the years 2010 and 2016, respectively, and from the Rio Chitamena contract area through 2015 or 2019, depending on contract interpretation. In July 1994, Triton Colombia, BP, TOTAL and Ecopetrol entered into an Integral Plan for the Unified Exploitation of the Cusiana Oil Structure in the SDLA, Tauramena and Rio Chitamena Association Contract Areas. Under the plan, the parties have agreed to develop the Cusiana oil structure in a technically efficient and cooperative manner during three consecutive periods of time. During the initial period (ending with the expiration of the SDLA association contract in 2010), petroleum produced from the unified area will be owned by the parties according to their interests in each contract area.

In the first quarter of 2005, an independent determination of the original barrels of oil equivalent ("BOE") of petroleum in place under the unified area and under each association contract will be made. Then a "tract factor" will be calculated for each association contract. Each tract factor will be the amount of original BOEs of petroleum in place under the particular association contract as a percentage of the total original BOEs under the unified area. Each party's unified area interest during the second period (commencing from the expiration of the SDLA association contract in 2010) and during the final period (commencing from the termination of the second association contract to termination) will be the aggregate of that party's interest in each remaining association contract multiplied by the tract factor for each such contract.

Recent Drilling Results. In the Cusiana Field, during 1998, Triton Colombia and its working interest partners completed an additional seven wells, bringing the total completions to date to 40 producing wells, 12 gas injection wells and two water injection wells. The gas injection wells recycle to the Mirador formation most of the gas that is associated with the oil production to increase the oil recoverable during the life of the field. The water injection wells inject the field's produced water into the Barco and Guadalupe formations for disposal and pressure maintenance. There are currently five drilling rigs operating in the Cusiana Field, and the Company expects that eight oil production and water or gas injection wells will be completed during 1999.

In the Cupiagua Field, during 1998, Triton Colombia and its working interest partners completed an additional six wells, bringing the total completions to date to 18 producing wells and five gas injection wells. There are currently six drilling rigs operating in the Cupiagua Field, and the Company expects that eleven oil production and water or gas injection wells will be completed during 1999.

In January 1998, the sidetrack of the suspended Cusiana-5 well, referred to as the Cupiagua-EXP well, was completed as a discovery of the Cupiagua South extension of the Cupiagua Field. The well penetrated the Mirador and Barco formations and confirmed the upthrown block of the Cupiagua lower plate. The logs and other data taken from the well confirmed that the hydrocarbon accumulation has a different oil/water contact than either the core of the Cupiagua Field or the lower plate discovered in the Cupiagua K-5 well, drilled in late 1995. The reservoir discovered by the Cupiagua-EXP well was designated the Cupiagua South Field, which was granted commerciality by Ecopetrol and placed on production in June 1998.

Production Facilities and Pipelines. The production facilities in the Cusiana Field have been completed. The components of the Cusiana Central Processing Facility (CPF) consist of a long term test facility, four early production units, and two 80,000 barrels of oil per day ("BOPD") production trains, which brought the production capacity of the Cusiana CPF to approximately 320,000 BOPD. Currently, the production of the Cusiana Field is limited by the gas handling capacity of the Cusiana CPF of about 1,400 million cubic feet of gas per day.

In 1998, the two 100,000 BOPD production trains at the Cupiagua CPF were completed and put in operation, which process the condensate and gas production from the Cupiagua producing wells. The gas handling capacity of the Cupiagua CPF is approximately 840 million cubic feet of gas per day and a third compression unit is being installed, which is designed to bring the Cupiagua gas handling capacity to approximately 1,300 million cubic feet of gas per day.

Crude oil and condensate produced from the Cusiana and Cupiagua fields, as well as crude oil from other third parties, are transported to the Caribbean port of Covenas through the 832-kilometer (520-mile) pipeline system operated by OCENSA. OCENSA is a Colombian company formed by Triton Pipeline Colombia, Inc., a wholly owned subsidiary of the Company until its sale in February 1998, Ecopetrol, BP Colombia Pipelines Ltd., Total Pipeline Colombie, S.A., IPL Enterprises (Colombia) Inc. and TCPL International Investments Inc.

Other Areas in Colombia

Triton owns rights to three additional licenses in Colombia. In the Middle Magdalena Valley basin and adjacent foothills, Triton owns a 50% interest (before certain royalties and government participation) in the El Pinal contract area, which covers approximately 36,000 acres (after a partial relinquishment in 1998) approximately 330 kilometers (205 miles) north of Bogota . In the southern part of El Pinal, Triton discovered and confirmed the Liebre Field with two wells (the Liebre-1 and -2). Liebre-1 ceased production in June 1998 while Liebre-2 continues to produce approximately 160 BOPD.

In June 1995, the Company was awarded the Guayabo A and B association contracts, with Deminex Colombia Petroleum Gmbh acquiring a 50% interest in 1996. The area is located approximately 150 kilometers (93 miles) north of Bogota. The Guayabo A block covers approximately 167,000 acres. The Guayabo B block was reduced in size to approximately 148,000 acres after a mandatory relinquishment at the end of the first exploration phase. The Company expects to spud an exploratory well in the Guayabo A block during 1999. In the Guayabo B block, the Company is currently conducting a surface geology program to satisfy the commitments for the second exploration phase ending in 1999.

Malaysia-Thailand

Through the Company's 50% owned subsidiaries, Triton Oil Company of Thailand (JDA) Limited and Triton Oil Company of Thailand (collectively, "Triton Thailand"), the Company has a participating interest in Block A-18 of the Malaysia-Thailand Joint Development Area in the Gulf of Thailand. ARCO owns the remaining shares of Triton Thailand. To date, eight fields have been discovered on the block. The operator is Carigali-Triton Operating Company Sdn. Bhd. ("CTOC"), a company owned equally by Triton Thailand and Petronas Carigali (JDA) Sdn. Bhd. ("Carigali"), a subsidiary of the Malaysian national oil company.

Contract Terms

In April 1994, Triton Thailand signed a production-sharing contract covering the offshore area designated as Block A-18 of the Malaysia-Thailand Joint Development Area. The contract area in the Gulf of Thailand, which encompasses approximately 731,000 acres, had been the subject of overlapping claims between Malaysia and Thailand. The other parties to the production-sharing contract are the Malaysia-Thailand Joint Authority (the "MTJA"), which has been established by treaty to administer the Joint Development Area, and Carigali. The treaty provides for the development of the

Joint Development Area that includes Block A-18. Triton Thailand previously held a license from Thailand that covered part of the Joint Development Area.

The term of the contract is 35 years, subject to possible relinquishment of certain areas and subject to the treaty between Malaysia and Thailand creating the MTJA remaining in effect. Triton and Carigali have the right to explore for oil and gas for the first five years of the contract. The contract provides that if there is a discovery of natural gas (not associated with crude oil), and if the MTJA agrees, the contractors will be able to hold that gas field without production for an additional five-year period, provided the contractors submit to the MTJA an acceptable development plan for the field. The contractors then have a five-year period from the MTJA's acceptance of the development plan to develop the field, and have the right to produce gas from the field for 20 years plus a number of years equal to the number of years, if any, prior to the end of the holding period that gas production commenced (or until the termination of the contract, if earlier). The contract grants to the operators the right to produce oil from an oil field for 25 years (or until the termination of the contract, if earlier). Any areas not developed and producing within the periods provided will be relinquished. The MTJA has approved the gas-holding area applications for the Bulan, Bumi, Cakerawala and Suriya Fields, which, together represent approximately 91% of the proved reserves of Block A-18 as of December 31, 1998.

As oil and gas are produced, the MTJA is entitled to a 10% royalty. Up to 50% of each unit of production is considered "cost oil" or "cost gas" and will be allocated to the contractors to the extent of their recoverable costs, with the balance considered "profit oil" or "profit gas" to be divided 50% to the MTJA and 50% to the contractors (i.e., 25% to Carigali and 25% to Triton Thailand). Triton Thailand's share of production is subject to an additional royalty equal to 0.75% of Block A-18 production. Tax rates imposed by the MTJA on behalf of the governments of Malaysia and Thailand are 0% for the first eight years of production, 10% for the next seven years of production and 20% for any remaining production.

The MTJA has agreed, subject to government approval, to extend the five-year exploration period by three years (provided that the holding period for any discovery in the additional three-year period would not extend beyond the tenth anniversary of the contract) and to increase the percentage of each unit of production that is considered "cost oil" or "cost gas" from 50% to 60% for the Cakerawala Field and the Bulan Field, the fields planned for first-phase development. The 35-year term of the contract is not affected.

The parties to the contract executed a "heads of agreement" in April 1998 contemplating a definitive gas-sales agreement for the sale of natural gas from the block. Buyers of the gas would be the Petroleum Authority of Thailand (PTT), the Thailand national oil company, and Petroliam Nasional Berhad (PETRONAS), the Malaysian national oil company, on an equal basis. The representatives of each of the parties have agreed to present an agreed form of gas-sales agreement to their respective Boards of Directors and the governments of Malaysia and Thailand for approval, but there can be no assurance as to whether, or when, a definitive gas-sales agreement will be approved or executed.

Agreements with ARCO

In August 1998, the Company sold to ARCO for $150 million one-half of the shares of the subsidiary through which the Company owns its interest in Triton Thailand. The Company's agreements with ARCO require ARCO to pay the future exploration and development costs attributable to Triton Thailand's interest in Block A-18, up to $377 million or until first production from a gas field, after which the Company and ARCO would each pay 50% of such costs. The agreements provide that the Company will recover its investment in recoverable costs in the project, approximately $101 million, and that ARCO will recover its investment in recoverable costs, on a first-in, first-out basis from the cost recovery portion of future production. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and note 5 of Notes to Consolidated Financial Statements.

Recent Drilling Results

During 1998, two wells were drilled on Block A-18. The Senja-2 appraisal well was drilled approximately five kilometers (3 miles) east of the Senja-1 discovery well drilled in 1997. The Senja-2 well encountered 118 feet of net pay, 14.5 feet of which were tested. By comparison, the Senja-1 discovery well encountered 213 feet of net pay. During a single test of a selected zone, the Senja-2 well flowed at a maximum daily rate of 2 million cubic feet of gas and 59 barrels of condensate. The Bulan-3 appraisal well was drilled approximately three kilometers (1.9 miles) north of the Bulan-1 discovery well drilled in 1996. The Bulan-3 well encountered 143 feet of net pay which was evaluated with wireline tools and the well was abandoned without drill stem testing.

Development Plan

In December 1997, the MTJA approved the field development plan for the Cakerawala Field. Initial development plans call for three wellhead platforms, a production platform, a living quarters platform, a floating storage and off-loading vessel for oil and condensate and 35 development wells. The Company expects that development of the field will commence following execution of a definitive gas-sales agreement and that development will take approximately 30 to 36 months to complete.

Ecuador

The Company holds a 55% interest in Block 19, which covers approximately 494,000 acres located in the Andean foothills of the Oriente Basin. Triton's partners in the block are Vintage Petroleum Ecuador, Inc., with a 30% interest, and Ranger Oil Limited, with a 15% interest. The partners' remaining work program commitments for Block 19 consist of the drilling of one exploratory well by November 2000.

Greece

The Company has signed two leases with Hellenic Petroleum, the national oil company of Greece, with the Company having an 88% interest in each lease and Hellenic Petroleum the remaining 12% interest. The Gulf of Patraikos contract area covers approximately 519,000 acres located offshore between the western coast of Greece and the offshore Ionian islands of Lefkas, Kefalonia and Zakynthos in water depths of up to 1,700 feet. The lease provides a primary exploration term expiring in September 2001 with a commitment of 2,000 kilometers (1,250 miles) of new 2D seismic and the drilling of one exploratory well for a total expenditure of not less than $13.5 million. The Company has reprocessed approximately 3,000 kilometers (1,900 miles) of existing 2D seismic and plans to acquire approximately 1,000 kilometers (625 miles) of new 2D seismic in 1999.

The Aitoloakarnania contract area covers approximately 956,000 acres located onshore in western Greece. The lease provides a primary exploration term expiring in September 1999 with a commitment of 200 kilometers of 2D seismic and the drilling of two exploratory wells for a total expenditure of not less than $13.25 million. The Company has reprocessed approximately 660 kilometers (410 miles) of existing 2D seismic and acquired approximately 200 kilometers (125 miles) of new 2D seismic, and has applied for a one-year extension of the obligation to drill the exploratory wells.

Italy

The Company holds interests in six licenses in Italy comprising three offshore blocks in the Adriatic Sea and three onshore blocks in the Southern Apennines. Applications for two other onshore blocks were withdrawn in 1998.

The Company has a 40% interest in each of the contiguous DR71 and DR72 licenses covering approximately 493,000 acres in the Adriatic Sea located 45 kilometers (28 miles) offshore the city of Brindisi. Triton's partners in these licenses are Enterprise Oil Italiana, S.p.A. ("Enterprise"), the operator, with a 45% interest, and Mobil Oil Italiana S.p.A. ("Mobil"), with a 15% interest. During 1998, the Company and its working interest partners drilled the Giove-1 well. The well was drilled to a total depth of 3,458 feet but was prematurely abandoned due to a gas blowout and mechanical failure. A replacement well, Giove-2, was drilled to a total depth of 4,285 feet and encountered oil and gas. Additional work is required to evaluate the commercial potential of the licenses. In March 1999, Mobil notified Enterprise and Triton of its intent to withdraw and not enter the second exploration period of the DR71 and DR72 licenses. The Company expects that it will receive at least its proportionate share of Mobil's interest in the blocks, and may acquire all of Mobil's interest depending on Enterprise's response to the Mobil notice.

In 1998, Triton acquired a 20% interest in a third offshore license, FR33AG. The license covers approximately 71,600 acres and is adjacent to the DR71 and DR72 licenses. Eni S.p.A. is operator, with a 50% interest, and Enterprise holds the remaining 30% interest. The license provides a primary exploration term expiring in September 2004 with a commitment of 250 km (156 miles) of new 2D seismic and the drilling of one exploratory well.

In the southern Apennine Mountains, the Company has an interest in three contiguous licenses, Fosso del Lupo, Valsinni and Masseria de Sole, covering approximately 101,000 acres in the Matera province. The Company is the operator, with a 50% interest, and Union Texas Adriatic holds the remaining 50% interest. The licenses provide a primary exploration term expiring in August 2002 and provide a combined work commitment of approximately 200 km (120 miles) of new 2D seismic and the drilling of three exploratory wells. The Company plans to acquire approximately 50 kilometers (30 miles) of seismic data over the licenses in 1999.

Equatorial Guinea

The Company has signed production-sharing contracts covering two contiguous blocks (Blocks F and G) with the Republic of Equatorial Guinea. The contracts give the Company the right to explore and develop an area covering approximately 1.3 million acres located offshore and southwest of the town of Bata in water depths of up to 5,200 feet. They provide an exploration term expiring in April 2000 with a commitment of 2,000 kilometers (1,250 miles) of seismic and the drilling of one exploratory well, which the Company intends to drill in 1999. The Company has acquired approximately 5,600 kilometers (3,500 miles) of 2D seismic followed by a further 660 kilometers of infill 2D seismic and two site surveys.

Madagascar

The Company has signed a production-sharing contract with the Office of National Mines and Strategic Industries in Madagascar covering the Ambilobe Block. The block (approximately 4.3 million acres, after a partial relinquishment in 1998) is located directly offshore from Ambilobe in water depths of up to 11,500 feet. The Company has acquired approximately 3,000 kilometers (1,875 miles) of new 2D seismic.

Oman

In 1998, the Company signed a production sharing contract for Block 40, covering approximately 1.3 million acres located offshore in the Straits of Hormuz. The contract provides an exploration term expiring in June 2001 with a commitment of the drilling of one exploratory well. Triton is currently reprocessing approximately 4,100 kilometers (2,600 miles) of existing 2D seismic.

1998 Reduction in Exploration Activities

In July 1998, the Company announced a plan to restructure operations, reduce overhead costs and substantially scale back exploration-related capital expenditures. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and notes 3 and 4 of Notes to Consolidated Financial Statements. As a result of the scale back in exploration and in some cases for technical reasons, during 1998 and early 1999, the Company effected, or commenced the steps necessary for, the following:

- Colombia - relinquished its interest in the Las Amelias license.

- China - ceased its exploration efforts and closed its local offices.

- Guatemala - ceased its exploration efforts and closed its local office, and the Company is in the process of relinquishing its interest in its blocks.

- Indonesia - sold its interest in the Blora production-sharing contract.

- Madagascar - relinquished its interest in the Cap St. Marie Block.

- Oman - relinquished its interest in Block 22.

- Tunisia - withdrew from its interest in the Medjerda production sharing contract.

- England - closed its regional office.

RESERVES

The following table sets forth a summary of the estimated oil and gas reserves of the Company at December 31, 1998, and is based on separate estimates of the Company's net proved reserves prepared by the independent petroleum engineers, DeGolyer and MacNaughton, with respect to the proved reserves in the Cusiana and Cupiagua fields in Colombia, and by the Company's internal petroleum engineers with respect to the proved reserves in Malaysia-Thailand on Block A-18 in the Gulf of Thailand and the Liebre Field in Colombia. This table sets forth the estimated net quantities of proved developed and undeveloped oil and gas reserves and total proved oil and gas reserves owned by the Company. For additional information regarding the Company's reserves, including the standardized measure of future net cash flows, see note 25 of Notes to Consolidated Financial Statements. Oil reserves data include natural gas liquids and condensate.

Net proved reserves at December 31, 1998, were:

<TABLE>
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<S>	<C> PROVED DEVELOPED	<C>	<C> PROVED UNDEVELOPED	<C>	<C> TOTAL PROVED	<C>
	OIL (MBBLS)	GAS (MMCF)	OIL (MBBLS)	GAS (MMCF)	OIL (MBBLS)	GAS (MMCF)
Colombia (1)	86,039	12,284	49,288	---	135,327	12,284
Malaysia-Thailand (2)	---	---	8,017	570,312	8,017	570,312
Total	86,039	12,284	57,305	570,312	143,344	582,596

</TABLE>

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(1) Includes liquids to be recovered from Ecopetrol as reimbursement for precommerciality expenditures.
(2) As of December 31, 1998, the Company did not have a contract for the sale of gas to be produced from its interest in the Malaysia-Thailand Joint Development Area. In estimating its reserves attributable to such interest, the Company assumed that production from the interest would be sold at the initial base price for natural gas specified in the heads of agreement entered into in April 1998. There can be no assurance that the price to be provided in any gas contract will be equal to the price used in the Company's calculations.

Reserve estimates are approximate and may be expected to change as additional information becomes available. Furthermore, estimates of oil and gas reserves, of necessity, are projections based on engineering data, and there are uncertainties inherent in the interpretation of such data, as well as the projection of future rates of production and the timing of development expenditures. Reservoir engineering is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact way, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Accordingly, there can be no assurance that the reserves set forth herein will ultimately be produced, and there can be no assurance that the proved undeveloped reserves will be developed within the periods anticipated.

No estimates of total proved net oil or gas reserves have been filed by the Company with, or included in any report to, any United States authority or agency pertaining to the Company's individual reserves since the beginning of the Company's last fiscal year.

OIL AND GAS OPERATIONS

Production and Sales

The following table sets forth the net quantities of oil and gas produced by the Company for the years ended December 31, 1998, 1997 and 1996. The table includes production attributable to the Company's 49.9% ownership interest in Crusader Limited ("Crusader") through the date of its sale in 1996, as well as the minority interests in Crusader's consolidated subsidiaries. The production and sales information relating to properties or subsidiary or affiliate ownership interests acquired or disposed of is reflected in the table only since or up to the effective dates of their respective acquisitions or sales, as the case may be. Certain information concerning the Company's revenues, assets and certain other data by geographical area is contained in note 22 of Notes to Consolidated Financial Statements.

	OIL PRODUCTION (1)			GAS PRODUCTION		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1997	1996	1998	1997	1996
	(MBBLS)			(MMCF)		
Colombia (2)	9,979	5,776	5,738	503	802	298
Indonesia (3)	---	---	95	---	---	---
United States (4)	---	---	20	---	---	475
Crusader (5):						
Australia	---	---	134	---	---	1,744
Total	9,979	5,776	5,987	503	802	2,517

(1) Includes natural gas liquids and condensate.
(2) Includes Ecopetrol reimbursement barrels and excludes 3.1 million, 2.5 million and .7 million barrels of oil produced and delivered for the years ended December 31, 1998, 1997 and 1996, respectively, in connection with the Company's forward oil sale in May 1995. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations" and note 6 of Notes to Consolidated Financial Statements.
(3) In May 1996, the Company sold substantially all of the assets of Triton Indonesia, Inc.
(4) In March 1996, Triton sold its domestic royalty and mineral interests.
(5) In 1996, the Company sold all of its interest in Crusader.

The following tables summarize for the years ended December 31, 1998, 1997 and 1996: (i) the average sales price per barrel of oil and per Mcf of natural gas; (ii) the average sales price per equivalent barrel of production; (iii) the depletion cost per equivalent barrel of production; and (iv) the production cost per equivalent barrel of production:

	AVERAGE SALES PRICE PER BARREL OF OIL (1)			AVERAGE SALES PRICE PER MCF OF GAS		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1997	1996	1998	1997	1996
Colombia (4)	$12.31	$17.54	$19.62	$0.99	$1.15	$2.56
Indonesia	---	---	19.54	---	---	---
United States	---	---	16.00	---	---	1.15

Crusader:						
Australia	---	---	19.95	---	---	1.69

</TABLE>

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	PER EQUIVALENT BARREL (2)								
	AVERAGE SALES PRICE			DEPLETION (3)			PRODUCTION COST		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1997	1996	1998	1997	1996	1998	1997	1996
Colombia (4)	$12.27	$17.37	$19.58	$4.07	$3.67	$2.83	$5.97	$6.47	$ 5.66
Indonesia	---	---	19.54	---	---	0.52	---	---	15.89
United States	---	---	8.75	---	---	5.59	---	---	3.25
Crusader:									
Australia	---	---	13.23	---	---	3.47	---	---	4.10

</TABLE>

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(1) Includes natural gas liquids and condensate.
(2) Natural gas has been converted into equivalent barrels of oil based on six Mcf of natural gas per barrel of oil.
(3) Includes depreciation calculated on the unit of production method for support equipment and facilities.
(4) Includes barrels delivered under the forward oil sale which are recorded at $11.56 per barrel upon delivery. Excludes the full cost ceiling limitation writedown in 1998 totaling $241 million.

Competition

The Company encounters strong competition from major oil companies (including government-owned companies), independent operators and other companies for favorable oil and gas concessions, licenses, production-sharing contracts and leases, drilling rights and markets. Additionally, the governments of certain countries in which the Company operates may, from time to time, give preferential treatment to their nationals. The oil and gas industry as a whole also competes with other industries in supplying the energy and fuel requirements of industrial, commercial and individual consumers. The principal means of competition in the sale of oil and gas are product availability, price and quality. While it is not possible for the Company to state precisely its competitive position in the oil and gas industry, the Company believes that it represents a minor competitive factor.

Markets

Crude oil, natural gas, condensate and other oil and gas products generally are sold to other oil and gas companies, government agencies and other industries. The Company does not believe that the loss of any single customer or contract pursuant to which oil and gas are sold would have a long-term material, adverse effect on the revenues from the Company's oil and gas operations.

In Colombia, crude oil is exported through the Caribbean port of Covenas where it is sold at prices based on United States prices, adjusted for quality and transportation. The oil produced from the Cusiana and Cupiagua fields is transported to the export terminal by pipeline.

For a discussion of certain factors regarding the Company's markets and potential markets that could affect future operations, see note 20 of Notes to Consolidated Financial Statements.

ACREAGE

The following table shows the total gross and net developed and undeveloped oil and gas acreage held by Triton at December 31, 1998. "Gross" refers to the total number of acres in an area in which the Company holds an interest without adjustment to reflect the actual percentage interest held therein by the Company. "Net" refers to the gross acreage as adjusted for working interests owned by parties other than the Company.

"Developed" acreage is acreage spaced or assignable to productive wells. "Undeveloped" acreage is acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas, regardless of whether such acreage contains proved reserves.

<TABLE>
<CAPTION>

	DEVELOPED ACREAGE		UNDEVELOPED ACREAGE (1)	
	GROSS	NET	GROSS	NET
	(In thousands)			
Colombia	109	13	350	175
Malaysia-Thailand	---	---	731	183
Ecuador	---	---	494	272
Greece	---	---	1,475	1,298
Italy	---	---	667	262
Oman(2)	---	---	1,322	1,322
Equatorial Guinea	---	---	1,306	1,306
Madagascar	---	---	4,300	4,300
Total	109	13	10,645	9,118

</TABLE>

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(1) Triton's interests in certain of this acreage may expire if not developed at various times in the future pursuant to the terms and provisions of the leases, licenses, concessions, contracts, permits or other agreements under which it was acquired.
(2) Excludes 2.0 million acres (gross and net) attributable to Block 22, which was relinquished in 1999.

PRODUCTIVE WELLS AND DRILLING ACTIVITY

In this section, "gross" wells refers to the total number of wells drilled in an area in which the Company holds any interest without adjustment to reflect the actual ownership interest held. "Net" refers to the gross number of wells drilled adjusted for working interests owned by parties other than the Company.

At December 31, 1998, in Colombia, Triton held gross and net working interests in 80 and 9.86 productive wells, respectively, which include 17 gross (2.04 net) gas-injection wells and two gross (.24 net) water-injection wells.

The following tables set forth the results of the oil and gas well drilling activity on a gross basis for wells in which the Company held an interest for the years ended December 31, 1998, 1997 and 1996.

GROSS EXPLORATORY WELLS

<TABLE>

<CAPTION>

<S> <C> <C> <C> <C> <C> <C> <C> <C> <C>

	PRODUCTIVE (1)			DRY			TOTAL		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1997	1996	1998	1997	1996	1998	1997	1996
Colombia	1	1	3	---	1	---	1	2	3
Malaysia-Thailand	2	5	7	---	---	---	2	5	7
Argentina	---	---	---	---	---	2	---	---	2
Italy	---	---	---	2	---	1	2	---	1
Guatemala	---	---	---	---	1	---	---	1	---
China	---	---	---	1	---	1	1	---	1
Ecuador	---	---	---	---	1	---	---	1	---
Tunisia	---	---	---	1	---	---	1	---	---
Crusader (2):									
Australia	---	---	14	---	---	4	---	---	18
Total	3	6	24	4	3	8	7	9	32

</TABLE>

GROSS DEVELOPMENT WELLS

<TABLE>
<CAPTION>

<S> <C> <C> <C> <C> <C> <C> <C> <C> <C>

	PRODUCTIVE (1)			DRY			TOTAL		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1997	1996	1998	1997	1996	1998	1997	1996
Colombia	13	18	15	---	---	---	13	18	15
Malaysia-Thailand	---	---	---	---	---	---	---	---	---
Crusader (2):									
Australia	---	---	2	---	---	---	---	---	2
Total	13	18	17	---	---	---	13	18	17

</TABLE>

____

(1) A productive well is producing or capable of producing oil and/or gas in commercial quantities. Multiple completions have been counted as one well. Any well in which one of the multiple completions is an oil completion is classified as an oil well.
(2) In 1996, the Company sold all of its interest in Crusader.

The following tables set forth the results of drilling activity on a net basis for wells in which the Company held an interest for the years ended December 31, 1998, 1997 and 1996 (those wells acquired or disposed of since January 1, 1996, are reflected in the following tables only since or up to the effective dates of their respective acquisitions or sales, as the case may be):

NET EXPLORATORY WELLS

<TABLE>
<CAPTION>

<S> <C> <C> <C> <C> <C> <C> <C> <C> <C>

	PRODUCTIVE (1)			DRY			TOTAL		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1997	1996	1998	1997	1996	1998	1997	1996
Colombia (2)	0.12	0.12	0.36	---	0.50	---	0.12	0.62	0.36
Malaysia-Thailand (3)	1.00	2.50	3.50	---	---	---	1.00	2.50	3.50
Argentina	---	---	---	---	---	2.00	---	---	2.00
Italy	---	---	---	0.80	---	0.40	0.80	---	0.40
Guatemala	---	---	---	---	0.60	---	---	0.60	---
China	---	---	---	0.50	---	0.50	0.50	---	0.50
Ecuador	---	---	---	---	0.55	---	---	0.55	---
Tunisia	---	---	---	0.50	---	---	0.50	---	---
Crusader (4):									
Australia	---	---	0.34	---	---	0.10	---	---	0.44
Total	1.12	2.62	4.20	1.80	1.65	3.00	2.92	4.27	7.20

</TABLE>

NET DEVELOPMENT WELLS

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	PRODUCTIVE (1)			DRY			TOTAL		
	YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,			YEAR ENDED DECEMBER 31,		
	1998	1997	1996	1998	1997	1996	1998	1997	1996
Colombia (2)	1.56	2.16	1.80	---	---	---	1.56	2.16	1.80
Malaysia-Thailand	---	---	---	---	---	---	---	---	---
Crusader (4):									
Australia	---	---	0.05	---	---	---	---	---	0.05
Total	1.56	2.16	1.85	---	---	---	1.56	2.16	1.85

</TABLE>

____

(1) A productive well is producing or capable of producing oil and/or gas in commercial quantities. Multiple completions have been counted as one well. Any well in which one of the multiple completions is an oil completion is classified as an oil well.
(2) Adjusted to reflect the national oil company participation at commerciality for the Cusiana and Cupiagua fields.
(3) The interest in the wells drilled in 1998 was not reduced to take into account the sale of the Company's interest in Block A-18 to ARCO because such sale occurred after the drilling of the wells.
(4) Adjusted to reflect the Company's 49.9% interest in Crusader, which was sold in 1996.

OTHER PROPERTIES

The Company leases or owns office space and other properties for its operations in various parts of the world. For additional information on the Company's leases, including its office leases, see note 21 of Notes to Consolidated Financial Statements.

FORWARD-LOOKING INFORMATION

Certain information contained in this report, as well as written and oral statements made or incorporated by reference from time to time by the Company and its representatives in other reports, filings with the Securities and Exchange Commission, press releases, conferences or otherwise, may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and are subject to the "Safe Harbor" provisions of that section. Forward-looking statements include statements concerning the Company's and management's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying such forward-looking statements. Forward-looking statements may be identified, without limitation, by the use of the words "anticipates," "estimates," "expects," "believes," "intends," "plans" and similar expressions. These statements include information regarding drilling schedules; expected or planned production capacity; the closing of branch offices; future production of the Fields; the negotiation of a gas-sales contract, completion of development and commencement of production in Malaysia-Thailand; the Company's capital budget and future capital requirements; the Company's meeting its future capital needs; future general and administrative expense and the portion to be capitalized; future interest expense and the portion to be capitalized; the Company's realization of its deferred tax asset; the level of future expenditures for environmental costs; the outcome of regulatory and litigation matters; the impact of Year 2000 issues; the estimated fair value of derivative instruments, including the equity swap; and proven oil and gas reserves and discounted future net cash flows therefrom. These statements are based on current expectations and involve a number of risks and uncertainties, including those described in the context of such forward-looking statements and in notes 20 and 21 of Notes to Consolidated Financial Statements. Actual results and developments could differ materially from those expressed in or implied by such statements due to these and other factors.

EMPLOYEES

At March 17, 1999, the Company employed approximately 145 full-time employees.

EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth certain information regarding the executive officers of the Company at March 17, 1999:

<TABLE>
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NAME	AGE	POSITION WITH THE COMPANY	SERVED WITH THE COMPANY SINCE
James C. Musselman	51	President and Chief Executive Officer	1998
Robert B. Holland, III	46	Executive Vice President, General Counsel and Secretary	1993
A.E. Turner, III	50	Chief Operating Officer	1994

</TABLE>

Mr. Musselman was elected director of the Company in May 1998, and was elected Chief Executive Officer in October 1998. Mr. Musselman has served as Chairman, President and Chief Executive Officer of Avia Energy Development, LLC, a private company engaged in gas fractioning and drilling, since September 1994. From June 1991 to September 1994, Mr. Musselman was the President and Chief Executive Officer of Lone Star Jockey Club, LLC, a company formed to organize a horse racetrack facility in Texas.

Mr. Turner was elected Chief Operating Officer in March 1999, and prior to that served as Senior Vice President, Operations, of the Company since March 1994. From 1988 to February 1994, Mr. Turner served in various positions with British Gas Exploration & Production, Inc., including Vice President and General Manager of operations in Africa and the Western Hemisphere from October 1993.

Mr. Holland has served as General Counsel and Secretary of the Company since January 1993, and has served as Executive Vice President since March 1999. Mr. Holland also served as Chief Operating Officer of the Company from October 1998 to March 1999 when he relinquished the title to Mr. Turner, interim Chief Executive Officer from July 1998 to October 1998 and Senior Vice President from January 1993 to July 1998.

All executive officers of the Company are elected annually by the Board of Directors of the Company to serve in such capacities until removed or their successors are duly elected and qualified. There are no family relationships among the executive officers of the Company.

ITEM 3. LEGAL PROCEEDINGS

LITIGATION

In July through October 1998, eight lawsuits were filed against the Company and Thomas G. Finck and Peter Rugg, in their capacities as Chairman and Chief Executive Officer and Chief Financial Officer, respectively. Each case was filed on behalf of a putative class of persons and/or entities who purchased the Company's securities between March 30, 1998, and July 17, 1998, inclusive, and seeks recovery of compensatory damages, fees and costs. The cases allege violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended, and Rule 10b-5 promulgated thereunder in connection with disclosures concerning the Company's properties, operations, and value relating to a prospective sale of the Company or of all or a part of its assets. Additionally, one case alleges negligent misrepresentation and seeks recovery of punitive damages. Each lawsuit was filed in the United States District Court for the Eastern District of Texas, Texarkana Division.

On September 21, 1998, a motion for consolidation and for appointment as lead plaintiffs and for approval of selection of lead counsel was filed. With the exception of the request for consolidation, which has been agreed to, the motion is presently pending. Also pending is the Company's motion to dismiss or transfer for improper venue. The consolidated action is styled In re: Triton Energy Limited Securities Litigation. The Company believes it has meritorious defenses to these claims and intends to vigorously defend these actions. No discovery has been taken at this time, however, and the ultimate outcome is not currently predictable. There can be no assurance that the litigation will be resolved in the Company's favor. An adverse result could have a material adverse effect on the Company's financial position or results of operations.

During the quarter ending September 30, 1995, the United States Environmental Protection Agency (the "EPA") and Justice Department advised the Company that one of its domestic oil and gas subsidiaries, as a potentially responsible party for the clean-up of the Monterey Park, California, Superfund site operated by Operating Industries, Inc., could agree to contribute approximately $2.8 million to settle its alleged liability for certain remedial tasks at the site. The offer did not address responsibility for any groundwater remediation. The subsidiary was advised that if it did not accept the settlement offer, it, together with other potentially responsible parties, may be ordered to perform or pay for various remedial tasks. After considering the cost of possible remedial tasks, its legal position relative to potentially responsible parties and insurers, possible legal defenses and other factors, the subsidiary declined to accept the offer.

In October 1997, the EPA advised the Company that the estimated cost of the clean-up of the site would be approximately $217 million to be allocated among the 280 known operators. The subsidiary's share would be approximately $1 million based upon a volumetric allocation, but there can be no assurance that any allocation of liability to the subsidiary would be made on a volumetric basis.

On August 22, 1997, the Company was sued in the Superior Court of the State of California for the County of Los Angeles, by David A. Hite, Nordell International Resources Ltd., and International Veronex Resources, Ltd. The Company and the plaintiffs were adversaries in a 1990 arbitration proceeding in which the interest of Nordell International Resources Ltd. in the Enim oil field in Indonesia was awarded to the Company (subject to a 5% net profits interest for Nordell) and Nordell was ordered to pay the Company nearly $1 million. The arbitration award was followed by a series of legal actions by the parties in which the validity of the award and its enforcement were at issue. As a result of these proceedings, the award was ultimately upheld and enforced.

The current suit alleges that the plaintiffs were damaged in amounts aggregating $13 million primarily because of the Company's prosecution of various claims against the plaintiffs as well as its alleged misrepresentations, infliction of emotional distress, and improper accounting practices. The suit seeks specific performance of the arbitration award, damages for alleged fraud and misrepresentation in accounting for Enim field operating results, an accounting for Nordell's 5% net profit interest, and damages for emotional distress and various other alleged torts. The suit seeks interest, punitive damages and attorneys fees in addition to the alleged actual damages. On September 26, 1997, the Company removed the action to the United States District Court for the Central District of California. On August 31, 1998, the United States District Court for the Central District of California dismissed all claims asserted by the plaintiffs other than claims for malicious prosecution and abuse of the legal process, which the court held could not be subject to a motion to dismiss. A trial date has been set for April 27, 1999. The Company has filed a writ with the 9th Circuit Court of Appeal requesting that the district court be directed to enter an order granting summary judgment in the Company's favor. The Company believes the remaining claims under the suit are without merit and intends vigorously to defend it.

The Company is also subject to litigation that is incidental to its business.

CERTAIN FACTORS

None of the legal matters described above is expected to have a material adverse effect on the Company's consolidated financial position. However, this statement of the Company's expectation is a forward-looking statement that is dependent on certain events and uncertainties that may be outside of the Company's control. Actual results and developments could differ materially from the Company's expectation, for example, due to such uncertainties as jury verdicts, the application of laws to various factual situations, the actions that may or may not be taken by other parties and the availability of insurance. In addition, in certain situations, such as environmental claims, one defendant may be responsible for the liabilities of other parties. Moreover, circumstances could arise under which the Company may elect to settle claims at amounts that exceed the Company's expected liability for such claims in an attempt to avoid costly litigation. Judgments or settlements could, therefore, exceed any reserves.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matter was submitted by the Company during the fourth quarter of the year ended December 31, 1998, to security holders, through the solicitation of proxies or otherwise.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Ordinary Shares

Triton's ordinary shares are listed on the New York Stock Exchange and are traded under the symbol OIL. Set forth below are the high and low closing sales prices of Triton's ordinary shares as reported on the New York Stock Exchange Composite Tape for the periods indicated:

<TABLE>
<CAPTION>

CALENDAR PERIODS	HIGH	LOW
1999:		
First Quarter*	8 5/8	5 1/4
1998:		
First Quarter	36 3/4	25 13/16
Second Quarter	42 5/8	33 5/16
Third Quarter	36 3/4	9 15/16
Fourth Quarter	12 7/16	7 5/16
1997:		
First Quarter	52 1/2	38 1/4
Second Quarter	45 13/16	32 3/8

Third Quarter	48	38 3/16
Fourth Quarter	44 7/8	27 5/8

____
*Through March 17, 1999.

</TABLE>

Triton has not declared any cash dividends on its ordinary shares since fiscal 1990. The holders of ordinary shares are entitled to receive such dividends as are declared by the Board of Directors. Under applicable corporate law, the Company may pay dividends or make other distributions to its shareholders in such amounts as appear to the directors to be justified by the profits of the Company or out of the Company's share premium account if the Company has the ability to pay its debts as they come due.

The Company's current intent is to retain earnings for use in the Company's business and the financing of its capital requirements. The payment of any future cash dividends on the ordinary shares is necessarily dependent upon the earnings and financial needs of the Company, along with applicable legal and contractual restrictions. Triton is prohibited from paying cash dividends on the ordinary shares under its credit facilities. In addition, the Shareholders Agreement between the Company and HM4 Triton provides that for so long as HM4 Triton and its affiliates own a certain number of ordinary shares (assuming conversion of all 8% Preference Shares held by HM4 Triton and its affiliates), Triton cannot pay a dividend on the ordinary shares without HM4 Triton's consent. Finally, the terms of the 8% Preference Shares and the 5% Preference Shares prohibit the payment of dividends on the ordinary shares unless full cumulative dividends on all such outstanding preference shares have been paid in full or set aside for payment.

At March 17, 1999, there were 4,212 record holders of the Company's ordinary shares.

Preference Shares

As of March 17, 1999, the Company had outstanding 209,639 shares of its 5% Preference Shares and 5,000,000 shares of its 8% Preference Shares. Each 5% Preference Share may be converted into one Triton ordinary share and bears a cash dividend, which has priority over dividends on Triton's ordinary shares, equal to 5% per annum on the redemption price of $34.41 per share, payable semi-annually on March 30 and September 30 of each year. The 5% Preference Shares have priority over Triton ordinary shares upon liquidation, and may be redeemed at Triton's option at any time for cash equal to the redemption price. Any shares of 5% Preference Shares that remain outstanding on March 30, 2004, must be redeemed at the redemption price, either for cash or, at the Company's option, for Triton ordinary shares. See note 13 of Notes to Consolidated Financial Statements.

Each 8% Preference Share may be converted into four Triton ordinary shares and bears an annual dividend equal to 8% on the redemption price of $70 per share, payable for each semi-annual period ending June 30 and December 30, commencing June 30, 1999. At the Company's option, dividends may be paid in cash or by the issuance of additional whole shares of 8% Preference Shares. If a dividend is to be paid in additional shares, the number of additional shares to be issued in payment of the dividend will be determined by dividing the amount of the dividend by $70, with amounts in respect of any fractional shares to be paid in cash. Holders of 8% Preference Shares are entitled to vote with the holders of ordinary shares on all matters submitted to the shareholders of the Company for a vote, with each 8% Preference Share entitling its holder to a number of votes equal to the number of ordinary shares into which it could be converted at that time. The 8% Preference Shares can be redeemed by the Company commencing September 30, 2001, but only if the market value of the ordinary shares meets certain targets at the time of redemption (but if the Company redeems any shares, it must redeem all of the shares). Under the provisions of the Company's Articles of Association, the terms of the 8% Preference Shares can be amended with the approval of the holders of at least two-thirds of the 8% Preference Shares voting separately as a class.

Pursuant to the Shareholders Agreement between the Company and HM4 Triton, in September 1998, the size of the Company's Board of Directors was set at ten, and HM4 Triton exercised its right to designate four out of such ten directors. The Shareholders Agreement provides that, in general, for so long as the entire Board of Directors consists of ten members, HM4 Triton (and its designated transferees, collectively) may designate four nominees for election to the Board (with such number of designees increasing or decreasing proportionately with any change in the total number of members of the Board and with any fractional directorship rounded up to the next whole number). The right of HM4 Triton (and its designated transferees) to designate nominees for election to the Board will be reduced if the number of ordinary shares held by HM4 Triton and its affiliates (assuming conversion of 8% Preference Shares into ordinary shares) represents less than certain specified percentages of the number of ordinary shares (assuming conversion of 8% Preference Shares into ordinary shares) purchased by HM4 Triton pursuant to the Stock Purchase Agreement.

The Shareholders Agreement also provides that, for so long as HM4 Triton and its affiliates continue to hold a certain minimum number of ordinary shares (assuming conversion of 8% Preference Shares into ordinary shares), the Company may not take certain actions without the consent of HM4 Triton, including (i) amending its Articles of Association or the terms of the 8% Preference Shares with respect to the voting powers, rights or preferences of the holders of 8% Preference Shares, (ii) entering into a merger or similar business combination transaction, or effecting a reorganization, recapitalization or other transaction pursuant to which a majority of the outstanding ordinary shares or any 8% Preference Shares are exchanged for securities, cash or other property, (iii) authorizing, creating or modifying the terms of any series of securities that would rank equal to or senior to the 8% Preference Shares, (iv) selling or otherwise disposing of assets comprising in excess of 50% of the market value of the Company, (v) paying dividends on ordinary shares or other shares ranking junior to the 8% Preference Shares, other than regular dividends on the Company's 5% Preference Shares, (vi) incurring or guaranteeing indebtedness (other than certain permitted indebtedness), or issuing preference shares, unless the Company's leverage ratio at the time, after giving pro forma effect to such incurrence or issuance and to the use of the proceeds, is less than 2.5 to 1, (vii) issuing additional shares of 8% Preference Shares, other than in payment of accumulated dividends on the outstanding 8% Preference Shares, (viii) issuing any shares of a class ranking equal or senior to the 8% Preference Shares, (ix) commencing a tender offer or exchange offer for all or any portion of the ordinary shares or (x) decreasing the number of shares designated as 8% Preference Shares. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Requirements" and notes 2, 13 and 20 of Notes to Consolidated Financial Statements.

Shareholder Rights Plan

The Company has adopted a Shareholder Rights Plan pursuant to which preference share rights attach to all ordinary shares at the rate of one right for each ordinary share. Each right entitles the registered holder to purchase from the Company one one-thousandth of a Series A Junior Participating Preference Share, par value $.01 per share ("Junior Preference Shares"), of the Company at a price of $120 per one one-thousandth of a share of such Junior Preference Shares, subject to adjustment. Generally, the rights only become distributable 10 days following public announcement that a person has acquired beneficial ownership of 15% or more of Triton's ordinary shares or 10 business days following commencement of a tender offer or exchange offer for 15% or more of the outstanding ordinary shares; provided that, pursuant to the terms of the plan, any acquisition of Triton shares by HM4 Triton or its affiliates, including Hicks Muse, will not result in the distribution of rights unless and until HM4 Triton's ownership of Triton shares is reduced below certain levels. If, among other events, any person becomes the beneficial owner of 15% or more of Triton's ordinary shares (except as provided with respect to HM4 Triton), each right not owned by such person generally becomes the right to purchase such number of ordinary shares of the Company equal to the number obtained by dividing the right's exercise price (currently $120) by 50% of the market price of the ordinary shares on the date of the first occurrence. In addition, if the Company is subsequently merged or certain other extraordinary business transactions are consummated, each right generally becomes a right to purchase such number of shares of common stock of the acquiring person equal to the number obtained by dividing the right's exercise price by 50% of the market price of the common stock on the date of the first occurrence.

Under certain circumstances, the Company's directors may determine that a tender offer or merger is fair to all shareholders and prevent the rights from being exercised. At any time after a person or group acquires 15% or more of the ordinary shares outstanding (other than with respect to HM4 Triton) and prior to the acquisition by such person or group of 50% or more of the outstanding ordinary shares or the occurrence of an event described in the prior paragraph, the Board of Directors of the Company may exchange the rights (other than rights owned by such person or group which will become void), in whole or in part, at an exchange ratio of one ordinary share, or one one-thousandth of a Junior Preference Share, per right (subject to adjustment). The Company has the ability to amend the rights (except the redemption price) in any manner prior to the public announcement that a 15% position has been acquired or a tender offer has been commenced. The Company will be entitled to redeem the rights at $0.01 a right at any time prior to the time that a 15% position has been acquired. The rights will expire on May 22, 2005, unless earlier redeemed by the Company.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth certain financial and oil and gas data on a historical basis. The financial information for 1998 does not reflect the issuance by the Company on January 4, 1999, of 3,177,500 8% Preference Shares for proceeds totaling $218.1 million, net of closing costs. Pro forma total assets and shareholders' equity, as adjusted to give effect to the issuance of the 8% Preference Shares, totaled $974.2 million and $441.9 million at December 31, 1998, respectively. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and notes 2, 13 and 20 of Notes to Consolidated Financial Statements.

<TABLE>
<CAPTION>

	AS OF OR FOR YEAR ENDED DECEMBER 31,			
	1998	1997	1996	1995
OPERATING DATA (IN THOUSANDS, EXCEPT PER SHARE DATA):				
Sales and other operating revenues (1)	$ 228,618	$ 149,496	$ 133,977	$ 107,472
Earnings (loss) from continuing operations (1) (2)	(187,504)	5,595	23,805	6,541
Earnings (loss) before extraordinary items	(187,504)	5,595	23,805	2,720
Net earnings (loss) (2)	(187,504)	(8,896)	22,609	2,720
Average ordinary shares outstanding	36,609	36,471	35,929	35,147
Basic earnings (loss) per ordinary share:				
Continuing operations (1) (2)	$ (5.21)	$ 0.14	$ 0.64	$ 0.16
Before extraordinary item	(5.21)	0.14	0.64	0.05
Net earnings (loss)	(5.21)	(0.26)	0.61	0.05
Diluted earnings (loss) per ordinary share:				
Continuing operations (1) (2)	$ (5.21)	$ 0.14	$ 0.62	$ 0.16
Before extraordinary item	(5.21)	0.14	0.62	0.05
Net earnings (loss)	(5.21)	(0.25)	0.59	0.05
BALANCE SHEET DATA (IN THOUSANDS):				
Net property and equipment	$ 556,122	$ 835,506	$ 676,833	$ 524,381
Total assets	756,133	1,098,039	914,524	824,167
Long-term debt, including current maturities (3)	427,492	573,687	416,630	402,503
Shareholders' equity	223,807	296,620	300,644	246,025
CERTAIN OIL AND GAS DATA (4) :				
Production				
Sales volumes (Mbbls) (5)	9,979	5,776	5,987	6,303
Forward oil sale deliveries (Mbbls)	3,050	2,462	701	409
Total revenue barrels (Mbbls)	13,029	8,238	6,688	6,712
Gas (MMcf)	503	802	2,517	5,312
Average sales price				
Oil (per bbl) (6)	$ 12.31	$ 17.54	$ 19.61	$ 16.60
Gas (per Mcf)	$ 0.99	$ 1.15	$ 1.69	$ 1.64

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	AS OF OR FOR YEAR ENDED DECEMBER 31, 1994 (unaudited)	AS OF OR FOR SEVEN MONTHS ENDED DECEMBER 31, 1994	AS OF OR FOR YEAR ENDED MAY 31, 1994
OPERATING DATA (IN THOUSANDS, EXCEPT PER SHARE DATA):			
Sales and other operating revenues (1)	$ 32,952	$ 20,736	$ 43,208
Earnings (loss) from continuing operations (1) (2)	(49,610)	(26,630)	(4,597)
Earnings (loss) before extraordinary items	(52,701)	(27,708)	(9,341)
Net earnings (loss) (2)	(52,701)	(27,708)	(9,341)
Average ordinary shares outstanding	34,916	34,944	34,775
Basic earnings (loss) per ordinary share:			
Continuing operations (1) (2)	$ (1.43)	$ (0.78)	$ (0.13)
Before extraordinary item	(1.52)	(0.81)	(0.27)
Net earnings (loss)	(1.52)	(0.81)	(0.27)
Diluted earnings (loss) per ordinary share:			
Continuing operations (1) (2)	$ (1.43)	$ (0.78)	$ (0.13)
Before extraordinary item	(1.52)	(0.81)	(0.27)
Net earnings (loss)	(1.52)	(0.81)	(0.27)
BALANCE SHEET DATA (IN THOUSANDS):			
Net property and equipment	$399,658	$399,658	$308,498
Total assets	619,201	619,201	616,101
Long-term debt, including current maturities (3)	315,515	315,515	294,753
Shareholders' equity	237,195	237,195	263,422
CERTAIN OIL AND GAS DATA (4) :			
Production			
Sales volumes (Mbbls) (5)	2,534	1,488	2,886
Forward oil sale deliveries (Mbbls)	---	---	---
Total revenue barrels (Mbbls)	2,534	1,488	2,886
Gas (MMcf)	5,516	3,427	9,078
Average sales price			
Oil (per bbl) (6)	$ 15.26	$ 16.41	$ 15.15
Gas (per Mcf)	$ 1.51	$ 1.44	$ 1.44

</TABLE>

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(1) Operating data for the year ended December 31, 1994 (unaudited), the seven months ended December 31, 1994, and the year ended May 31, 1994, are restated to reflect the aviation sales and services segment as discontinued operations in 1995.
(2) Gives effect to the writedown of assets and loss provisions on a pretax basis of $328.6 million, $46.2 million, $1.1 million, $14.7 million, $1.0 million and $45.8 million for the years ended December 31, 1998, 1996, 1995 and 1994 (unaudited), the seven months ended December 31, 1994, and the year ended May 31, 1994, respectively.
(3) Includes current maturities totaling $14.0 million, $130.4 million, $199.6 million, $1.3 million, $.3 million and $.3 million at December 31, 1998, 1997, 1996, 1995 and 1994, and May 31, 1994, respectively.
(4) Information presented includes the 49.9% equity investment in Crusader Limited until its sale in 1996.
(5) Includes natural gas liquids and condensate.
(6) Includes barrels delivered under the forward oil sale, which are recognized in oil and gas sales at $11.56 per barrel upon delivery.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CERTAIN DEVELOPMENTS

During 1998 and early 1999, several events had a significant impact on the Company and its financial condition and results of operations. These events are discussed in detail in this Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report, and are summarized below:

- February 1998 sale of TPC, a wholly owned subsidiary that held the Company's 9.6% equity interest in the Colombian pipeline company, OCENSA, for net proceeds of $97.7 million.

- Significantly lower prices for crude oil, resulting in writedowns in June 1998 and December 1998, of the carrying amount of evaluated oil and gas properties in Colombia through the application of the full cost ceiling test limitation, totaling approximately $241 million.

- July 1998 agreements with ARCO providing financing for the development of the Company's gas reserves on Block A-18 of the Malaysia-Thailand Joint Development Area through (1) the sale to ARCO of one-half of the shares of the subsidiary through which the Company owned its 50% share of Block A-18 for net proceeds of $142 million, which was consummated in August 1998, and (2) the agreement of ARCO to pay the future exploration and development costs attributable to Triton's and ARCO's collective interest in Block A-18, up to $377 million or until first production from a gas field.

- July 1998 announcement of a plan to restructure operations, reduce overhead costs and substantially scale back exploration-related capital expenditures, including the closing of foreign offices in four countries, the elimination of approximately 41% of the workforce and the relinquishment or disposal of several exploration licenses, resulting in writedowns of assets totaling approximately $77 million and special charges totaling approximately $18 million.

- August 1998 Stock Purchase Agreement with HM4 Triton, an affiliate of Hicks Muse, which provided for the issuance by the Company of 5,000,000 8% Preference Shares for aggregate gross proceeds of $350 million, completed in two stages in September 1998 and January 1999.

LIQUIDITY AND CAPITAL REQUIREMENTS

HICKS MUSE TRANSACTION

In August 1998, the Company and HM4 Triton entered into the Stock Purchase Agreement that provided for a $350 million equity investment in the Company. The investment was effected in two stages. At the closing of the first stage in September 1998 (the "First Closing"), the Company issued to HM4 Triton 1,822,500 shares of 8% Preference Shares for $70 per share (for proceeds of $116.8 million, net of transaction costs). Pursuant to the Stock Purchase Agreement, the second stage was effected through a rights offering for 3,177,500 shares of 8% Preference Shares at $70 per share, with HM4 Triton being obligated to purchase any shares not subscribed. At the closing of the second stage, which occurred on January 4, 1999 (the "Second Closing"), the Company issued an additional 3,177,500 8% Preference Shares for proceeds totaling $218.1 million, net of closing costs (of which, HM4 Triton purchased 3,114,863 shares).

CASH AND CASH EQUIVALENTS; CASH FLOWS

Proceeds from the First Closing, completed in September 1998, are reflected in the audited financial statements for the year ended December 31, 1998. Proceeds from the Second Closing, completed on January 4, 1999, are reflected only in the unaudited pro forma financial information as of December 31, 1998, presented below and in the Pro Forma Consolidated Balance Sheet as of December 31, 1998, shown on page F-4.

Pro forma cash and cash equivalents and pro forma working capital, as adjusted to give effect to the issuance of the 8% Preference Shares, totaled $237.2 million and $196.6 million at December 31, 1998, respectively. Cash and cash equivalents, on an actual basis, totaled $19.1 million and $13.5 million at December 31, 1998 and 1997, respectively, and working capital deficit was $21.4 million and $115.2 million at December 31, 1998 and 1997, respectively. Current liabilities included deferred income totaling $35.3 million at December 31, 1998 and 1997, related to a forward oil sale consummated in 1995.

The following summary table reflects cash flows of the Company for the years ended December 31, 1998, 1997 and 1996, and on a Pro Forma basis for 1998 (in thousands):

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<S>	<C> PRO FORMA 1998	<C> 1998	<C> 1997	<C> 1996
Net cash provided (used) by operating activities	$ 1,670	$ 1,670	$ (97,416)	$ 80,705
Net cash provided (used) by investing activities	$ 84,352	$ 84,352	$(212,700)	$(105,518)
Net cash provided (used) by financing activities	$137,993	$(80,071)	$ 313,368	$ (12,978)

</TABLE>

Operating Activities

Cash flows provided by operating activities for the year ended December 31, 1998, benefited from increased production from the Fields in Colombia. Gross production from the Fields averaged approximately 350,000 BOPD during 1998 compared with 220,000 BOPD and 175,000 BOPD during 1997 and 1996, respectively. The increased production was partially offset by a significantly lower average realized oil price. During 1998, 1997 and 1996, the Company's average realized oil price was $12.31, $17.54 and $19.61, respectively. See "Results of Operations - Oil and Gas Sales" below.

The Company's reported cash flows from operating activities for the year ended December 31, 1997, were reduced by $124.8 million, which was attributable to interest accreted with respect to the Company's Senior Subordinated Discount Notes due November 1, 1997 (the "1997 Notes"), and the 9 3/4 % Senior Subordinated Discount Notes due December 31, 2000 (the "9 3/4% Notes"), through the dates of retirement in the second quarter of 1997.

Investing Activities

The Company's capital expenditures and other capital investments were $180.1 million, $219.2 million and $252.7 million during the years ended December 31, 1998, 1997 and 1996, respectively, primarily for exploration and development of the Fields in Colombia, and for exploration in Block A-18 of the Malaysia-Thailand Joint Development Area in the Gulf of Thailand and in other areas. Proceeds from asset sales were $267 million, $5.9 million and $146.6 million during 1998, 1997 and 1996, respectively. See "Results of Operations" below and note 5 of Notes to Consolidated Financial Statements.

Financing Activities

1998

On September 30, 1998, the Company issued to HM4 Triton 1,822,500 8% Preference Shares for $70 per share, or total proceeds of $127.6 million (before transaction costs of $10.8 million). Each 8% Preference Share is convertible at any time at the option of the holder into four ordinary shares of the Company (subject to certain antidilution protections). Holders of 8% Preference Shares are entitled to receive, when and if declared by the Board of Directors, cumulative dividends at a rate per annum equal to 8% of the liquidation preference of $70 per share, payable for each semi-annual period ending June 30 and December 30, commencing June 30, 1999. At the Company's option, dividends may be paid in cash or by the issuance of additional whole shares of 8% Preference Shares.

During 1998, the Company borrowed $162.5 million and repaid $360.1 million under revolving lines of credit, notes payable and long-term debt. At December 31, 1998, the Company had two $25 million credit facilities that expire in March 1999 and a $50 million credit facility that expires in May 1999.

1997

In April 1997, the Company issued $400 million aggregate face value of senior indebtedness to refinance other indebtedness. The senior indebtedness consisted of $200 million face amount of 8 3/4% Senior Notes due April 15, 2002 (the "2002 Notes"), at 99.942% of the principal amount (resulting in $199.9 million aggregate net proceeds) and $200 million face amount of 9 1/4% Senior Notes due April 15, 2005 (the "2005 Notes" and, together with the 2002 Notes, the "Senior Notes"), at 100% of the principal amount for total aggregate net proceeds of $399.9 million before deducting transaction costs of approximately $1 million.

In May and June 1997, the Company offered to purchase all of its outstanding 1997 Notes and 9 3/4% Notes, which resulted in the retirement of the 1997 Notes and substantially all of the 9 3/4% Notes. The remainder of the 9 3/4% Notes were retired in 1998. During the year ended December 31, 1997, the Company borrowed $630 million and repaid $321.5 million under revolving lines of credit, notes payable and long-term debt (including the Senior Notes).

1996

During the year ended December 31, 1996, the Company borrowed $53.9 million and repaid $70.9 million under revolving lines of credit and long-term debt.

FUTURE CAPITAL NEEDS

For internal planning purposes, the Company's capital spending program for the year ending December 31, 1999, is approximately $117 million, excluding capitalized interest, of which approximately $83 million relates to the Fields and $34 million relates to the Company's exploration activities in other parts of the world. The Company expects to fund its capital expenditures for 1999 with the proceeds from the issuance of the 8% Preference Shares and cash flow from operations. In connection with the sale to ARCO of one-half of the shares through which the Company owned its interest in Block A-18 of the Malaysia-Thailand Joint Development Area in August 1998, ARCO agreed to pay the future exploration and development costs attributable to the Company's and ARCO's collective interest in Block A-18, up to $377 million or until first production from a gas field.

In connection with the issuance of the 8% Preference Shares to HM4 Triton in September 1998, the Company and HM4 Triton entered into the Shareholders Agreement pursuant to which, among other things, HM4 Triton (and its designated transferees, collectively) may designate a certain number of nominees for election to the Board. In addition, the Shareholders Agreement provides that, for so long as HM4 Triton and its affiliates continue to hold a certain minimum number of ordinary shares (assuming conversion of 8% Preference Shares into ordinary shares), the Company may not take certain actions without the consent of HM4 Triton, including (i) amending its Articles of Association or the terms of the 8% Preference Shares with respect to the voting powers, rights or preferences of the holders of 8% Preference Shares, (ii) entering into a merger or similar business combination transaction, or effecting a reorganization, recapitalization or other transaction pursuant to which a majority of the outstanding ordinary shares or any 8% Preference Shares are exchanged for securities, cash or other property, (iii) authorizing, creating or modifying the terms of any series of securities that would rank equal to or senior to the 8% Preference Shares, (iv) selling or otherwise disposing of assets comprising in excess of 50% of the market value of the Company, (v) paying dividends on ordinary shares or other shares ranking junior to the 8% Preference Shares, other than regular dividends on the Company's 5% Preference Shares, (vi) incurring or guaranteeing indebtedness (other than certain permitted indebtedness), or issuing preference shares, unless the Company's leverage ratio at the time, after giving pro forma effect to such incurrence or issuance and to the use of the proceeds, is less than 2.5 to 1, (vii) issuing additional shares of 8% Preference Shares, other than in payment of accumulated dividends on the outstanding 8% Preference Shares, (viii) issuing any shares of a class ranking equal or senior to the 8% Preference Shares, (ix) commencing a tender offer or exchange offer for all or any portion of the ordinary shares or (x) decreasing the number of shares designated as 8% Preference Shares.

As a result of HM4 Triton's ownership of 8% Preference Shares and ordinary shares and the rights conferred upon HM4 Triton and its designees pursuant to the Shareholders Agreement, HM4 Triton has significant influence over the actions of the Company and will be able to influence, and in some cases determine, the outcome of matters submitted for approval of the shareholders. The existence of HM4 Triton as a shareholder of the Company may make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, a majority of the outstanding ordinary shares. A third party would be required to negotiate any such transaction with HM4 Triton, and the interests of HM4 Triton as a shareholder may be different from the interests of the other shareholders of the Company.

In conjunction with the sale of TPC to an unrelated third party (the "Purchaser") in February 1998, the Company entered into a five year equity swap with a creditworthy financial institution (the "Counterparty"). The issuance to HM4 Triton of the 8% Preference Shares resulted in the right of the Counterparty to terminate the equity swap prior to the end of its five year term. In January 1999, the Counterparty exercised its right and designated April 2000 as the termination date of the equity swap. Upon the expiration of the equity swap in April 2000, the Company expects that the Purchaser will sell the TPC shares. Under the terms of the equity swap with the Counterparty, upon any sale by the Purchaser of the TPC shares, the Company will receive from the Counterparty, or pay to the Counterparty, an amount equal to the excess or deficiency, as applicable, of the difference between 97% of the net proceeds from the Purchaser's sale of the TPC shares and the notional amount of $97 million. There can be no assurance that the value the Purchaser may realize in any sale of the TPC shares will equal the value of the shares estimated by the Company for purposes of valuing the equity swap. The Company has no right or obligation to repurchase the TPC shares at any time, but the Company is not prohibited from offering to purchase the shares if the Purchaser offers to sell them. See "-Results of Operations - Other Income and Expenses" below and "Item 7A. Quantitative and Qualitative Disclosures about Market Risk."

RESULTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 1998, COMPARED WITH YEAR ENDED DECEMBER 31, 1997

Oil and Gas Sales

Oil and gas sales in 1998 totaled $160.9 million, an 11% increase from 1997, due to higher production, which was partially offset by significantly lower average realized oil prices. Total revenue barrels, including production related to barrels delivered under the forward oil sale, totaled 13 million barrels in 1998, an increase of 58%, compared to the prior year, resulting in an increase in revenues of $84.2 million. The increased production was primarily due to the start-up in late 1997 of two new 80,000 BOPD oil-production units at the Cusiana central processing facility. In addition, two 100,000 BOPD oil-production units at the Cupiagua central processing facility began production during the second half of 1998. The average realized oil price was $12.31 and $17.54 in 1998 and 1997, respectively, a decrease of 30% for 1998, resulting in lower revenues of $68.3 million compared to 1997. The lower average realized oil price resulted from a significant decrease in the 1998 average WTI oil price.

Gain on Sale of Oil and Gas Assets

In July 1998, the Company and ARCO signed an agreement providing financing for the development of the Company's gas reserves on Block A-18 of the Malaysia-Thailand Joint Development Area. Under terms of the agreement, consummated in August 1998, the Company sold to a subsidiary of ARCO for $150 million one-half of the shares of the subsidiary through which the Company owned its 50% share of Block A-18. The Company received net proceeds of $142 million and recorded a gain of $63.2 million.

The agreements also require ARCO to pay the future exploration and development costs attributable to the Company's and ARCO's collective interest in Block A-18, up to $377 million or until first production from a gas field, after which the Company and ARCO would each pay 50% of such costs. Additionally, the agreements require ARCO to pay the Company an additional $65 million each at July 1, 2002, and July 1, 2005, if certain specific development objectives are met by such dates, or $40 million each if the objectives are met within one year thereafter. The agreements provide that the Company will recover its investment in recoverable costs in the project, approximately $101 million, and that ARCO will recover its investment in recoverable costs, on a first-in, first-out basis from the cost-recovery portion of future production.

In December 1998, the Company sold its Bangladesh subsidiary for $4.5 million and recorded a gain of the same amount. In June 1997, the Company sold its Argentine subsidiary for cash proceeds of $4.1 million and recognized a gain of $4.1 million.

Costs and Expenses

Operating expenses increased $22.2 million in 1998, and depreciation, depletion and amortization increased $22 million, primarily due to higher production volumes, including barrels delivered under the forward oil sale. The Company pays lifting costs, production taxes and transportation costs to the Colombian port of Covenas for barrels to be delivered under the forward oil sale.

The Company's operating costs per oil equivalent-barrel, which include field operating expenses, pipeline tariffs and production taxes, were $5.97 and $6.47 in 1998 and 1997, respectively. Operating expenses on a per equivalent-barrel basis were lower primarily due to higher production volumes and a decrease in production taxes of $7.8 million. Beginning in 1998, no production taxes are assessed on production from the Cusiana Field. The Company is required to pay production taxes on production from the Cupiagua Field equating to approximately 5.5%, 4% and 2.5% of gross realized oil prices during 1998, 1999 and 2000, respectively. These improvements to operating costs were partially offset by an increase in OCENSA pipeline tariffs which totaled $49.9 million or $4.08 per barrel, and $28.7 million or $3.69 per barrel, in 1998 and 1997, respectively. OCENSA imposes a tariff on shippers from the Fields (the "Initial Shippers"), which is estimated to recoup: the total capital cost of the project over a 15-year period; its operating expenses, which include all Colombian taxes; interest expense; and the dividend to be paid by OCENSA to its shareholders. Any shippers of crude oil who are not Initial Shippers are assessed a premium tariff on a per-barrel basis, and OCENSA will use revenues from such tariffs to reduce the Initial Shippers' tariff. The OCENSA pipeline expansion was completed at the end of 1997. At such time, the full cost of the pipeline was included in the tariff computation, which was the primary contributor to the higher 1998 tariffs.

General and administrative expense before capitalization decreased $13.8 million to $47.2 million in 1998, while capitalized general and administrative costs were $20.6 million and $32.4 million in 1998 and 1997, respectively. General and administrative expenses, and the portion capitalized, decreased as a result of restructuring activities undertaken in the third quarter of 1998 to reduce overhead costs and exploration expenses. The Company is continuing its efforts to reduce its general and administrative expenses and exploration expenses. As a result, the Company expects that gross general and administrative expense and the portion of general and administrative expense that will be capitalized will decrease in 1999.

In June and December 1998, the carrying amount of the Company's evaluated oil and gas properties in Colombia was written down by $105.4 million ($68.5 million, net of tax) and $135.6 million ($115.9 million net of tax), respectively, through application of the full cost ceiling limitation as prescribed by the Securities and Exchange Commission ("SEC"), principally as a result of a decline in oil prices. No adjustments were made to the Company's reserves in Colombia as a result of the decline in prices. The SEC ceiling test was calculated using the June 30, and December 31, 1998, WTI oil prices of $14.18 per barrel and $12.05 per barrel, respectively, that, after a differential for Cusiana crude delivered at the port of Covenas in Colombia, resulted in a net price of approximately $13 per barrel and $11 per barrel, respectively. An additional writedown may be required if oil prices fall below the December 31, 1998, level at later quarter end dates.

During 1998, the Company evaluated the recoverability of its approximate 6.6% investment in a Colombian pipeline company, Oleoducto de Colombia S.A. ("ODC"), which is accounted for under the cost method. Based on an analysis of the future cash flows expected to be received from ODC, the Company expensed the carrying value of its investment totaling $10.3 million in writedown of assets.

In July 1998, the Company commenced a plan to restructure the Company's operations, reduce overhead costs and substantially scale back exploration-related expenditures. The plan contemplated the closing of foreign offices in four countries, the elimination of approximately 105 positions, or 41% of the worldwide workforce, and the relinquishment or other disposal of several exploration licenses.

In conjunction with the plan to restructure operations and scale back exploration-related expenditures, the Company assessed its investments in exploration licenses and determined that certain investments were impaired. As a result, unevaluated oil and gas properties and other assets totaling $77.3 million ($72.6 million, net of tax) were expensed in writedown of assets. The writedown included $27.2 million and $22.5 million related to exploration activity in Guatemala and China, respectively. The remaining writedowns related to the Company's exploration projects in certain other areas of the world.

As a result of the restructuring, the Company recognized special charges totaling $18.3 million ($15 million and $3.3 million in the third and fourth quarters, respectively). At December 31, 1998, approximately 105 positions had been eliminated, three foreign offices had closed and eight licenses had been relinquished, sold or their commitments renegotiated. The Company expects to close the remaining office and dispose of six other licenses during 1999.

Of the $18.3 million in special charges, $14.5 million related to the reduction in workforce, and represented the estimated costs for severance, benefit continuation and outplacement costs, which will be paid over a period of up to two years according to the severance formula. During 1998, the Company paid $7.4 million in severance, benefit continuation and outplacement costs. A total of $2.1 million of special charges related to the closing of foreign offices, and represented the estimated costs of terminating office leases and the write-off of related assets. The remaining special charges of $1.7 million primarily related to the write-off of other surplus fixed assets resulting from the reduction in workforce. As of December 31, 1998, no changes had been made to the Company's estimate of the total restructuring expenditures to be incurred. The remaining liability related to restructuring activities was $7.9 million at December 31, 1998.

Other Income and Expenses

In February 1998, the Company sold TPC, a wholly owned subsidiary that held the Company's 9.6% equity interest in the Colombian pipeline company, OCENSA, to an unrelated third party (the "Purchaser") for $100 million. Net proceeds were approximately $97.7 million after $2.3 million of expenses. The sale resulted in a gain of $50.2 million. TPC's investment in OCENSA, totaling $47.4 million at December 31, 1997, was included in assets held for sale.

Gross interest expense for 1998 and 1997 totaled $46.4 million and $49.7 million, respectively, while capitalized interest for 1998 decreased $2.6 million to $23.2 million. The decrease in capitalized interest is primarily due to the writedown of unevaluated property totaling $73.9 million in June 1998 and a sale of 50% of the Company's Block A-18 project in August 1998. The Company expects the portion of interest expense that will be capitalized will be lower in 1999 due to the Company's reduced exploration activities and the effect of the ARCO transaction.

Other income, net, included foreign exchange gains of $2.1 million and $9.5 million in 1998 and 1997, respectively, primarily related to noncash adjustments to deferred tax liabilities in Colombia associated with devaluation of the Colombian peso versus the U.S. dollar. In 1998 and 1997, the Company recognized gains of $7.6 million and $1.4 million, respectively, on the sale of corporate assets in addition to the ARCO and TPC transactions. During 1998 and 1997, the Company recorded an unrealized gain (loss) of $.4 million and ($9.7 million), respectively, representing the change in the fair value of the call options purchased in anticipation of a forward oil sale. In addition, during 1998, the Company recorded an expense of $3.3 million in other income, net, related to the net payments made under and the change in the fair value of the equity swap entered into in conjunction with the sale of TPC. Net payments made (or received) under the equity swap, and any fluctuations in the fair values of the call options and the equity swap, in future periods will affect other income in such periods. See "Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

Income Taxes

Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes," requires that the Company make projections about the timing and scope of certain future business transactions in order to estimate recoverability of deferred tax assets primarily resulting from the expected utilization of net operating loss carryforwards ("NOLs"). Changes in the timing or nature of actual or anticipated business transactions, projections and income tax laws can give rise to significant adjustments to the Company's deferred tax expense or benefit that may be reported from time to time. For these and other reasons, compliance with SFAS 109 may result in significant differences between tax expense for income statement purposes and taxes actually paid.

The income tax provision for 1998 included a foreign deferred tax benefit totaling $57 million compared with foreign deferred tax expense of $16 million in 1997. The benefit recognized in 1998 primarily resulted from the writedown of oil and gas properties. Additionally, the income tax provision included deferred tax expense in the United States totaling $1.5 million, compared with a benefit of $7.9 million in 1997. Current taxes related to the Company's Colombian operations were $4.4 million and $3.4 million in 1998 and 1997, respectively.

At December 31, 1998, the Company had U.S. NOLs of approximately $415.6 million compared with NOLs of approximately $406.8 million, and certain separate return limitation years ("SRLY") operating loss carryforwards of $40.6 million, at December 31, 1997. The NOLs expire from 1999 to 2012. See note 11 of Notes to Consolidated Financial Statements. At December 31, 1998, the Company's Colombian operations and other foreign operations had NOLs and other credit carryforwards totaling $42.3 million and $31.7 million, respectively, that will expire between 1999 and 2008.

The Company recorded a deferred tax asset of $100.9 million, net of a valuation allowance of $93.6 million, at December 31, 1998. The valuation allowance was primarily attributable to management's assessment of the utilization of NOLs in the U.S., the expectation that other tax credits will expire without being utilized, and certain temporary differences will reverse without a benefit to the Company. The minimum amount of future taxable income necessary to realize the deferred tax asset is approximately $246 million and $42 million in the U.S. and Colombia, respectively. Although there can be no assurance the Company will achieve such levels of income, management believes the deferred tax asset will be realized through increasing income from its operations.

Extraordinary Item

In May and June 1997, the Company completed a tender offer and consent solicitation with respect to its 1997 Notes and 9 3/4% Notes that resulted in the retirement of the 1997 Notes and substantially all of the 9 1/4% Notes. The Company's results of operations for 1997 included an extraordinary expense of $14.5 million, net of a $7.8 million tax benefit, associated with the extinguishment of the 1997 Notes and 9 3/4% Notes. The remainder of the 9 3/4% Notes were retired in 1998.

Subsequent Event

On January 4, 1999, the Company issued 3,177,500 8% Preference Shares for $70 per share, or total proceeds of $222.4 million (before closing expenses of $4.3 million). See "- Liquidity and Capital Requirements - Hicks Muse Transaction" above.

YEAR ENDED DECEMBER 31, 1997, COMPARED WITH YEAR ENDED DECEMBER 31, 1996

Oil and Gas Sales

Oil and gas sales were $145.4 million and $129.8 million in 1997 and 1996, respectively. Revenues in Colombia increased $18.3 million in 1997 due to higher production ($35 million). Total revenue barrels, including barrels delivered under the forward oil sale, increased from 6.4 million barrels in 1996 to 8.2 million barrels in 1997. Volume increases were partially offset by lower average realized oil prices ($16.7 million) reflecting the increased deliveries under the forward oil sale and a decrease in the 1997 average WTI oil price, compared with the prior year. Forward oil sale deliveries, scheduled in 1995 and recorded at $11.56 per barrel, were 29% of total revenue barrels in 1997, compared with 10% of the Company's total revenue barrels in 1996. In April 1997, the Company's delivery requirement under the forward oil sale increased from 58,425 barrels per month to 254,136 barrels per month, which had an adverse effect on the Company's earnings and cash flows on a per-barrel basis during

1997. Oil and gas sales from properties sold in early 1996 aggregated $2.7 million.

Gain on Sale of Oil and Gas Assets

In June 1997, the Company sold its Argentine subsidiary for cash proceeds of $4.1 million and recognized a gain of $4.1 million. In March 1996, the Company sold its royalty interest in U.S. properties for $23.8 million based on an effective date of January 1, 1996, and recognized a gain of $4.1 million.

Costs and Expenses

Operating expenses increased $14.7 million in 1997, and depreciation, depletion and amortization increased $11.2 million, primarily due to higher production volumes, including barrels delivered under the forward oil sale. The Company's operating costs per oil equivalent-barrel were $6.47 and $5.77 in 1997 and 1996, respectively. Increased per-barrel costs resulted from higher OCENSA pipeline tariffs. During 1997, construction of OCENSA's pipeline system was completed, although its facilities were not utilized to their capacity due to delays in escalating production in the Fields. During 1997 and 1996, the Company paid production taxes on production from the Cusiana Field totaling $8.5 million, or $1.28 per barrel, and $8.4 million, or $1.40 per barrel, respectively.

General and administrative expenses before capitalization increased $10.5 million to $61 million in 1997, primarily due to growth of the Company's operations. Capitalized general and administrative costs were $32.4 million and $24.6 million in 1997 and 1996, respectively. The increased capitalized costs reflect the Company's increased exploration activities in 1997.

In 1996, the Company's oil and gas properties and other assets in Argentina were written down $43 million following a review of technical information that indicated the acreage portfolio did not meet the Company's exploration objectives.

Other Income and Expenses

Interest expense increased $8 million primarily due to higher average debt outstanding during 1997. Capitalized interest totaled $25.8 million and $27.1 million in 1997 and 1996, respectively.

Other income in 1997 included a foreign exchange gain of $9.5 million primarily on deferred tax liabilities in Colombia, compared with a foreign exchange loss of $.6 million in 1996. During 1997 and 1996, the Company recorded an unrealized gain (loss) of ($9.7 million) and $11 million, respectively, representing the change in the fair market value of call options purchased in anticipation of a forward oil sale. Other income in 1996 included a $10.4 million gain on the sale of the Company's shareholdings in Crusader Limited, a $7.6 million benefit for settlement of a lawsuit in which the Company was plaintiff, and a loss provision of $3.2 million for certain legal matters.

Income Taxes

The income tax provision for 1997 included foreign deferred taxes totaling $16 million, primarily related to the Company's Colombian operations, compared with foreign deferred taxes of $15.4 million in 1996. Additionally, the income tax provision included a deferred tax benefit in the United States totaling $7.9 million, compared with a benefit of $23.5 million in 1996. Current taxes related to the Company's Colombian operations were $3.4 million and $5.5 million in 1997 and 1996, respectively.

Exploration Operations

Costs related to acquisition, holding and initial exploration of licenses in countries with no proved reserves are initially capitalized, including internal costs directly identified with acquisition, exploration and development activities. The Company's exploration licenses are periodically assessed for impairment on a country-by-country basis. If the Company's investment in exploration licenses within a country where no proved reserves are assigned is deemed to be impaired, the licenses are written down to estimated recoverable value. If the Company abandons all exploration efforts in a country where no proved reserves are assigned, all acquisition and exploration costs associated with the country are expensed. The Company's assessments of whether its investment within a country is impaired and whether exploration activities within a country will be abandoned are made from time to time based on its review and assessment of drilling results, seismic data and other information it deems relevant. Due to the unpredictable nature of exploration drilling activities, the amount and timing of impairment expense are difficult to predict with any certainty. Financial information concerning the Company's assets at December 31, 1998, including capitalized costs by geographic area, is in note 22 of Notes to Consolidated Financial Statements.

Environmental Matters

The Company is subject to extensive environmental laws and regulations. These laws regulate the discharge of oil, gas or other materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of such materials at various sites. The Company believes that the level of future expenditures for environmental matters, including clean-up obligations, is impractical to determine with a precise and reliable degree of accuracy. Management believes that such costs, when finally determined, will not have a material adverse effect on the Company's operations or consolidated financial condition.

Recent Accounting and Disclosure Pronouncements

In June 1998, the Financial Accounting Standards Board issued Statement No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires enterprises to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The requisite accounting for changes in the fair value of a derivative will depend on the intended use of the derivative and the resulting designation. The Company must adopt SFAS 133 effective January 1, 2000. Based on the Company's outstanding derivatives contracts, the Company believes that the impact of adopting this standard would not have a material adverse effect on the Company's operations or consolidated financial condition. However, no assurances can be given with regard to the level of the Company's derivatives activities at the time SFAS 133 is adopted or the resulting effect on the Company's operations or consolidated financial condition.

Information Systems and the Year 2000

The Year 2000 issue involves circumstances where a computerized system may not properly recognize or process date-sensitive information on or after January 1, 2000. The Company began a formal process in 1998 to identify those internal computerized systems that are not Year 2000 compliant, prioritize those business-critical computerized systems that need remediation or replacement, test compliance once the appropriate corrective measures have been implemented, and develop any contingency plans where considered necessary.

The Company's information technology infrastructure consists of desktop Pentium class Intel based PC systems, servers and Sparc-UNIX based computers and off-the-shelf software packages. The systems are networked via Microsoft NT 4.0 and other telecommunications equipment. The Company does not use mini or mainframe computer systems and uses only off-the-shelf software products. The PBX and phone system is a standard off-the-shelf phone system with voice mail capability. Additionally, telefax and copier machines are additional business tools used by the Company in conducting its day-to-day activities.

The Company has substantially completed its assessment of the Year 2000 readiness of its internal computerized systems. The next phase will include installing upgrades to its off-the-shelf financial and operational software applications, hardware and telecommunications equipment. The Company expects that such remediation procedures will be completed by the second quarter of 1999. The last phase will include testing of newly upgraded systems to ensure compliance with Year 2000 date recognition and the development of contingency plans. The Company expects to complete this last phase by the third quarter of 1999.

All of the Company's sales are derived from oil and gas production from the Fields, which is heavily dependent upon the operation of the Fields by BP Exploration Company (Colombia) Limited (the "Operator") and the transportation of oil through OCENSA, a Colombian pipeline company. The Company is monitoring progress of the Operator of the Fields and OCENSA on their activities related to the Year 2000. At this time, the Company expects that field operations will not be interrupted due to improper recognition of the Year 2000 by computerized systems of the Operator of the Fields or OCENSA.

The Company also relies on other oil and gas partners, vendors, and financial institutions in its daily operations. The Company believes it has identified those third-party relationships that could have a material adverse effect on the Company's results of operations and financial position should their computerized systems not be compliant for the Year 2000. The Company is in the process of surveying the identified third parties on their readiness for the Year 2000 and will establish appropriate alternatives, if needed, where noncompliance may pose a risk to the Company's operations.

The Company does not believe that the costs to resolve any Year 2000 issues will be material. To date, the Company has incurred approximately $150,000 on Year 2000 matters and it expects that the total cost, primarily consulting fees, will not exceed $700,000.

The failure to correct a material Year 2000 problem by the Company, its partners or other vendors could result in an interruption of the Company's normal business activities or operations, including production in the Fields or transportation of the Company's crude oil to the port of Covenas. Any interruptions could result in a material adverse effect on the Company's results of operations, cash flows and financial condition. Due to the inherent uncertainties relating to the effect of the Year 2000 on the Company's operations, it is difficult to predict what impact, if any, noncompliance with the Year 2000 issue will have on the Company's results of operations, cash flows and financial condition.

As the Company progresses further through its Year 2000 analysis, it intends to develop contingency plans for risks that could cause a material adverse effect on the Company's results of operations, cash flows and financial condition.

Certain Factors That Could Affect Future Operations

Certain information contained in this report, as well as written and oral statements made or incorporated by reference from time to time by the Company and its representatives in other reports, filings with the Securities and Exchange Commission, press releases, conferences or otherwise, may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and are subject to the "Safe Harbor" provisions of that section. Forward-looking statements include statements concerning the Company's and management's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying such forward-looking statements. Forward-looking statements may be identified, without limitation, by the use of the words "anticipates," "estimates," "expects," "believes," "intends," "plans" and similar expressions. These statements include information regarding drilling schedules; expected or planned production capacity; the closing of branch offices; future production of the Fields; the negotiation of a gas-sales contract, completion of development and commencement of production in Malaysia-Thailand; the Company's capital budget and future capital requirements; the Company's meeting its future capital needs; future general and administrative expense and the portion to be capitalized; future interest expense and the portion to be capitalized; the Company's realization of its deferred tax asset; the level of future expenditures for environmental costs; the outcome of regulatory and litigation matters; the impact of Year 2000 issues; the estimated fair value of derivative instruments, including the equity swap; and proven oil and gas reserves and discounted future net cash flows therefrom. These statements are based on current expectations and involve a number of risks and uncertainties, including those described in the context of such forward-looking statements, and in notes 20 and 21 of Notes to Consolidated Financial Statements. Actual results and developments could differ materially from those expressed in or implied by such statements due to these and other factors.

ITEM 7. A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodity Risk

The Company's primary commodity market risk exposure is to changes in the pricing applicable to its oil production, which is normally priced with reference to a defined benchmark, such as light, sweet crude oil traded on the New York Mercantile Exchange (WTI). Actual prices received vary from the benchmark depending on quality and location differentials. The markets for crude oil historically have been volatile and are likely to continue to be volatile in the future. During the three year period ended December 31, 1998, WTI oil prices fluctuated between a low price of $10.72 per barrel and a high price of $26.62 per barrel.

From time to time, it is the Company's policy to use financial market transactions, including swaps, collars and options, with creditworthy counterparties, primarily to reduce the risk associated with the pricing of a portion of its projected oil production. The policy is structured to underpin the Company's planned revenues and results of operations. The Company may also enter into financial market transactions to benefit from its assessment of the future prices of its production relative to other benchmark prices.

During the year ended December 31, 1998, the Company did not have any outstanding financial market transactions to hedge against oil price fluctuations. During the years ended December 31, 1997 and 1996, markets provided the Company the opportunity to realize WTI benchmark oil prices on average $2.35 per barrel and $4.68 per barrel, respectively, above the WTI benchmark oil price the Company set as part of its annual plan for the period. As a result of financial and commodity market transactions settled during the years ended December 31, 1997 and 1996, the Company's risk management program resulted in an average net realization of approximately $.11 per barrel and $1.21 per barrel, respectively, lower than if the Company had not entered into such transactions. Realized gains or losses from the Company's price risk management activities are recognized in oil and gas sales at the time of settlement of the underlying hedged transaction.

In anticipation of entering into the forward oil sale, in 1995 the Company purchased WTI benchmark call options to retain the ability to benefit from WTI price increases above a weighted average price of $20.42 per barrel. The volumes and expiration dates on the call options coincide with the volumes and delivery dates of the forward oil sale. During the years ended December 31, 1998, 1997 and 1996, the Company recorded an unrealized gain (loss) of $.4 million, ($9.7 million) and $11 million, respectively, in other income, net, related to the change in the fair market value of the call options. The Company used a sensitivity analysis technique to evaluate the hypothetical effect that changes in WTI oil prices may have on the fair value of these call options. At December 31, 1998, the potential decrease in fair value, assuming a ten percent adverse movement in WTI oil prices, would not have a material adverse effect on the Company's consolidated financial position or results of operations.

Interest Rate Risk

Equity Swap

In conjunction with the sale of TPC, the Company entered into an equity swap with a creditworthy financial institution (the "Counterparty"). The equity swap has a notional amount of $97 million and requires the Company to make quarterly floating LIBOR-based payments on the notional amount to the Counterparty. In exchange, the Counterparty is required to make payments to the Company equivalent to 97% of the dividends TPC receives in respect of its equity interest in OCENSA. The Company's LIBOR-based payments commenced in March 1998, and OCENSA commenced paying dividends in September 1998. OCENSA's first dividend was attributable to the four month period ending June 1998. During the year ended December 31, 1998, the Company made payments to the Counterparty totaling $5.9 million and received payments from the Counterparty totaling $2.6 million.

The equity swap is carried in the Company's financial statements at fair value during its term, which, as amended, will expire April 14, 2000. The value of the equity swap in the Company's financial statements is equal to the estimated fair value of the shares of OCENSA owned by TPC. Because there is no public market for the shares of OCENSA, the Company estimates their value using a discounted cash flow model applied to the distributions expected to be paid in respect of the OCENSA shares. The discount rate applied to the estimated cash flows from the OCENSA shares is based on a combination of current market rates of interest, a credit spread for OCENSA's debt, and a spread to reflect the preferred stock nature of the OCENSA shares. During the year ended December 31, 1998, the Company recorded an expense of $3.3 million in other income, net, related to the net payments made under and the change in the fair market value of the equity swap. The Company also evaluated the potential effect that near-term changes in interest rates could have on the fair value of the equity swap. Based upon an analysis utilizing the actual discount rate in effect as of December 31, 1998, and assuming a ten percent adverse movement in the discount rate, the potential decrease in the fair value of the equity swap at December 31, 1998, would be approximately $6.6 million. Net payments made (or received) under the equity swap, and any fluctuations in the fair value of the equity swap, in future periods, will affect other income in such periods. There can be no assurance that changes in interest rates, or in other factors that affect the value of the OCENSA shares and/or the equity swap, will not have a material adverse effect on the carrying value of the equity swap.

Upon the expiration of the equity swap in April 2000, the Company expects that the Purchaser will sell the TPC shares. Under the terms of the equity swap with the Counterparty, upon any sale by the Purchaser of the TPC shares, the Company will receive from the Counterparty, or pay to the Counterparty, an amount equal to the excess or deficiency, as applicable, of the difference between 97% of the net proceeds from the Purchaser's sale of the TPC shares and the notional amount of $97 million. There can be no assurance that the value the Purchaser may realize in any sale of the TPC shares will equal the value of the shares estimated by the Company for purposes of valuing the equity swap. To the extent that 97% of the Purchaser's sale proceeds exceeds the notional amount, the Company will record a gain, and to the extent 97% of the Purchaser's sale proceeds is less than the notional amount, the Company will record an expense. The Company has no right or obligation to repurchase the TPC shares at any time, but the Company is not prohibited from offering to purchase the shares if the Purchaser offers to sell them.

Indebtedness of the Company

The Company believes its interest rate exposure on debt is not significant since only $32.6 million out of total debt of $432.5 million at December 31, 1998, has floating interest rate obligations, of which $14.5 million was repaid in January 1999.

Foreign Currency Risk

The Company derives substantially all of its consolidated revenues from international operations. A risk inherent in international operations is the possibility of realizing economic currency-exchange losses when transactions are completed in currencies other than U.S. dollars. The Company's risk of realizing currency-exchange losses currently is largely mitigated because the Company receives U.S. dollars for sales of its petroleum products in Colombia. With respect to expenditures denominated in currencies other than the U.S. dollar, the Company generally converts U.S. dollars to the local currency near the applicable payment dates to minimize exposure to losses caused by holding foreign currency deposits. During the three-year period ended December 31, 1998, the Company did not realize any material foreign exchange losses from its international operations.

The Company evaluated the potential effect that reasonably possible near-term changes in foreign exchange rates may have on the fair value of foreign currency denominated assets. Based on analysis utilizing the actual foreign currency exchange rates at December 31, 1998, and assuming a ten percent adverse movement in exchange rates, the potential decrease in fair value of foreign currency denominated assets does not have a material adverse effect on the Company's consolidated financial position or results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements required by this item begin at page F-1 hereof.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information relating to the Company's directors and nominees for election as directors of the Company is incorporated herein by reference from the Proxy Statement for the 1999 Annual Meeting of Shareholders of the Company (the "Proxy Statement"), specifically the discussion under the heading "Election of Directors." The Company expects that the Proxy Statement will be publicly available and mailed in April 1999. Certain information as to executive officers is included herein under Items 1 and 2, "Business and Properties - Executive Officers." The discussion under "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The discussion under "Management Compensation" in the Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The discussion under "Security Ownership of Management and Certain Shareholders" in the Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The discussion under "Management Compensation - Certain Transactions" in the Proxy Statement is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this Annual Report on Form 10-K:

1. Financial Statements: The financial statements filed as part of this report are listed in the "Index to Financial Statements and Schedules" on page F-1 hereof.

2. Financial Statement Schedules: The financial statement schedules filed as part of this report are listed in the "Index to Financial Statements and Schedules" on page F-1 hereof.

3. Exhibits required to be filed by Item 601 of Regulation S-K. (Where the amount of securities authorized to be issued under any of Triton Energy Limited's and any of its subsidiaries' long-term debt agreements does not exceed 10% of the Company's assets, pursuant to paragraph (b)(4) of Item 601 of Regulation S-K, in lieu of filing such as exhibits, the Company hereby agrees to furnish to the Commission upon request a copy of any agreement with respect to such long-term debt.)

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<S>	<C>
3.1	Memorandum of Association. (1)
3.2	Articles of Association. (1)
4.1	Specimen Share Certificate of Ordinary Shares, $.01 par value, of the Company. (2)
4.2	Rights Agreement dated as of March 25, 1996, between Triton and The Chase Manhattan Bank, as Rights Agent, including, as Exhibit A thereto, Resolutions establishing the Junior Preference Shares. (1)
4.3	Resolutions Authorizing the Company's 5% Convertible Preference Shares. (3)
4.4	Amendment No. 1 to Rights Agreement dated as of August 2, 1996, between Triton Energy Limited and The Chase Manhattan Bank, as Rights Agent. (4)
4.5	Amendment No. 2 to Rights Agreement dated as of August 30, 1998, between Triton Energy Limited and The Chase Manhattan Bank, as Rights Agent. (5)
4.6	Unanimous Written Consent of the Board of Directors authorizing a Series of Preference Shares. (6)
4.7	Amendment No. 3 to Rights Agreement dated as of January 5, 1999, between Triton Energy Limited and The Chase Manhattan Bank, as Rights Agent. (7)
10.1	Amended and Restated Retirement Income Plan. (8)(27)

10.2 Amendment to the Retirement Income Plan dated August 1, 1998. (9)(27)
10.3 Amendment to Amended and Restated Retirement Income Plan dated December 31, 1996. (10)(27)
10.4 Amended and Restated Supplemental Executive Retirement Income Plan. (11)(27)
10.5 1981 Employee Non-Qualified Stock Option Plan. (12)(27)
10.6 Amendment No. 1 to the 1981 Employee Non-Qualified Stock Option Plan. (13)(27)
10.7 Amendment No. 2 to the 1981 Employee Non-Qualified Stock Option Plan. (12)(27)
10.8 Amendment No. 3 to the 1981 Employee Non-Qualified Stock Option Plan. (8)(27)
10.9 1985 Stock Option Plan. (14)(27)
10.10 Amendment No. 1 to the 1985 Stock Option Plan. (12)(27)
10.11 Amendment No. 2 to the 1985 Stock Option Plan. (8)(27)
10.12 Amended and Restated 1986 Convertible Debenture Plan. (8)(27)
10.13 1988 Stock Appreciation Rights Plan. (15)(27)
10.14 1989 Stock Option Plan. (16)(27)
10.15 Amendment No. 1 to 1989 Stock Option Plan. (12)(27)
10.16 Amendment No. 2 to 1989 Stock Option Plan. (8)(27)
10.17 Second Amended and Restated 1992 Stock Option Plan.(17)(27)
10.18 Form of Amended and Restated Employment Agreement with Triton Energy Limited and certain officers. (11)(27)
10.19 Amended and Restated Employment Agreement among Triton Energy Limited, Triton Exploration Services, Inc. and Robert B. Holland, III. (6)(27)
10.20 Form of Amended and Restated Employment Agreement among Triton Energy Limited, Triton Exploration Services, Inc. and each of Peter Rugg and Al E. Turner. (6)(27)
10.21 Letter Agreement among Triton Energy Limited, Triton Exploration Services, Inc. and Robert B. Holland, III dated December 17, 1998. (27)(28)
10.22 Letter Agreement among Triton Energy Limited, Triton Exploration Services, Inc. and Peter Rugg dated December 10, 1998. (27)(28)
10.23 Form of Bonus Agreement between Triton Exploration Services, Inc. and each of Al E. Turner, Robert B. Holland, III, and Peter Rugg dated July 15, 1998. (27)(28)
10.24 Amended and Restated 1985 Restricted Stock Plan. (8)(27)
10.25 First Amendment to Amended and Restated 1985 Restricted Stock Plan. (18)(27)
10.26 Second Amendment to Amended and Restated 1985 Restricted Stock Plan. (17)(27)
10.27 Executive Life Insurance Plan. (19)(27)
10.28 Long Term Disability Income Plan. (19)(27)
10.29 Amended and Restated Retirement Plan for Directors. (14)(27)
10.30 Contract for Exploration and Exploitation for Santiago de Atalayas I with an effective date of July 1, 1982, between Triton Colombia, Inc., and Empresa Colombiana De Petroleos. (14)
10.31 Contract for Exploration and Exploitation for Tauramena with an effective date of July 4, 1988, between Triton Colombia, Inc., and Empresa Colombiana De Petroleos. (14)
10.32 Summary of Assignment legalized by Public Instrument No. 1255 dated September 15, 1987 (Assignment is in Spanish language). (15)
10.33 Summary of Assignment legalized by Public Instrument No. 1602 dated June 11, 1990 (Assignment is in Spanish language). (15)
10.34 Summary of Assignment legalized by Public Instrument No. 2586 dated September 9, 1992 (Assignment is in Spanish language). (15)
10.35 401(K) Savings Plan. (8)(27)
10.36 Amendment to the 401(k) Savings Plan dated August 1, 1998. (9)(27)
10.37 Amendment to 401(k) Savings Plan dated December 31, 1996. (10)(27)
10.38 Contract between Malaysia-Thailand and Joint Authority and Petronas Carigali SDN.BHD. and Triton Oil Company of Thailand relating to Exploration and Production of Petroleum for Malaysia-Thailand Joint Development Area Block A-18. (20)
10.39 Triton Crude Purchase Agreement between Triton Colombia, Inc. and Oil Co., LTD. dated May 25, 1995. (21)
10.40 Credit Agreement among Triton Colombia, Inc., Triton Energy Corporation, NationsBank, N.A. (Carolinas) and Export-Import Bank of the United States. (18)
10.41 Amendment No. 1 to Credit Agreement among Triton Colombia, Inc., Triton Energy Corporation, NationsBank, N.A. (Carolinas) and Export-Import Bank of the United States. (18)
10.42 Amendment No. 2 to Credit Agreement among Triton Colombia, Inc., Triton Energy Corporation, NationsBank, N.A. (Carolinas) and Export-Import Bank of the United States. (17)
10.43 Amendment No. 3 to Credit Agreement among Triton Colombia, Inc., Triton Energy Corporation, NationsBank, N.A. (Carolinas) and Export-Import Bank of the United States. (10)
10.44 Form of Indemnity Agreement entered into with each director and officer of the Company. (6)
10.45 Description of Performance Goals for Executive Bonus Compensation. (22)(27)
10.46 Stock Purchase Agreement dated September 2, 1997, between The Strategic Transaction Company and Triton International Petroleum, Inc. (11)
10.47 Fourth Amendment to Stock Purchase Agreement dated February 2, 1998, between The Strategic Transaction Company and Triton International Petroleum, Inc. (11)
10.48 Amended and Restated 1997 Share Compensation Plan. (27)(28)
10.49 First Amendment to Amended and Restated Retirement Plan for Directors. (11)(27)
10.50 First Amendment to Second Amended and Restated 1992 Stock Option Plan. (23)(27)
10.51 Second Amendment to Second Amended and Restated 1992 Stock Option Plan. (11)(27)

10.52 Amended and Restated Indenture dated July 25, 1997, between Triton Energy Limited and The Chase Manhattan Bank. (24)
10.53 Amended and Restated First Supplemental Indenture dated July 25, 1997, between Triton Energy Limited and The Chase Manhattan Bank relating to the 8 3/4% Senior Notes due 2002. (24)
10.54 Amended and Restated Second Supplemental Indenture dated July 25, 1997, between Triton Energy Limited and The Chase Manhattan Bank relating to the 9 1/4% Senior Notes due 2005. (24)
10.55 Share Purchase Agreement dated July 17, 1998 ,among Triton Energy Limited, Triton Asia Holdings, Inc., Atlantic Richfield Company and ARCO JDA Limited. (9)
10.56 Shareholders Agreement dated August 3, 1998, among Triton Energy Limited, Triton Asia Holdings, Inc., Atlantic Richfield Company, and ARCO JDA Limited. (9)
10.57 Stock Purchase Agreement dated as of August 31, 1998, between Triton Energy Limited and HM4 Triton, L.P. (6)
10.58 Shareholders Agreement dated as of September 30, 1998, between Triton Energy Limited and HM4 Triton, L.P. (6)
10.59 Financial Advisory Agreement dated as of September 30, 1998, between Triton Energy Limited and Hicks, Muse & Co. Partners, L.P. (6)
10.60 Monitoring and Oversight Agreement dated as of September 30, 1998, between Triton Energy Limited and Hicks, Muse & Co. Partners, L.P. (6)
10.61 Severance Agreement dated as of July 15, 1998, between Thomas G. Finck and Triton Energy Limited. (6) (27)
12.1 Computation of Ratio of Earnings to Fixed Charges. (28)
12.2 Computation of Ratio of Earnings to Combined Fixed Charges and Preference Dividends. (28)
21.1 Subsidiaries of the Company. (28)
23.1 Consent of PricewaterhouseCoopers LLP. (28)
23.2 Consent of DeGolyer and MacNaughton. (28)
24.1 The power of attorney of officers and directors of the Company (set forth on the signature page hereof). (28)
27.1 Financial Data Schedule. (28)
99.1 Heads of Agreement for the Supply of Gas from Block A-18 of the Malaysia-Thailand Joint Development Area. (10)
99.2 Rio Chitamena Association Contract. (25)
99.2 Rio Chitamena Purchase and Sale Agreement. (25)
99.3 Integral Plan - Cusiana Oil Structure. (25)
99.4 Letter Agreements with co-investor in Colombia. (25)
99.5 Colombia Pipeline Memorandum of Understanding. (25)
99.6 Amended and Restated Oleoducto Central S.A. Agreement dated as of March 31, 1995. (26)

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(1) Previously filed as an exhibit to the Company's Registration Statement on Form S-3 (No 333-08005) and incorporated herein by reference.
(2) Previously filed as an exhibit to the Company's Registration Statement on Form 8-A dated March 25, 1996, and incorporated herein by reference.
(3) Previously filed as an exhibit to the Company's and Triton Energy Corporation's Registration Statement on Form S-4 (No. 333-923) and incorporated herein by reference.
(4) Previously filed as an exhibit to the Company's Registration Statement on Form 8-A/A (Amendment No. 1) dated August 14, 1996, and incorporated herein by reference.
(5) Previously filed as an exhibit to the Company's Registration Statement on Form 8-A/A (Amendment No. 2) dated October 2, 1998, and incorporated herein by reference.
(6) Previously filed as an exhibit to Triton Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and incorporated herein by reference.
(7) Previously filed as an exhibit to the Company's Registration Statement on Form 8-A/A (Amendment No. 3) dated January 31, 1999, and incorporated herein by reference.
(8) Previously filed as an exhibit to Triton Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended November 30, 1993, and incorporated by reference
(9) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1998, and incorporated herein by reference.
(10) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1998, and incorporated herein by reference.
(11) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1997, and incorporated herein by reference.
(12) Previously filed as an exhibit to Triton Energy Corporation's Annual Report on Form 10-K for the fiscal year ended May 31, 1992 ,and incorporated herein by reference.
(13) Previously filed as an exhibit to Triton Energy Corporation's Annual Report on Form

10-K for the fiscal year ended May 31, 1989, and incorporated by reference herein.

(14) Previously filed as an exhibit to Triton Energy Corporation's Annual Report on Form 10-K for the fiscal year ended May 31, 1990, and incorporated herein by reference.

(15) Previously filed as an exhibit to Triton Energy Corporation's Annual Report on Form 10-K for the fiscal year ended May 31, 1993, and incorporated by reference herein.

(16) Previously filed as an exhibit to Triton Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended November 30, 1988, and incorporated herein by reference.

(17) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, and incorporated herein by reference.

(18) Previously filed as an exhibit to Triton Energy Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1995, and incorporated herein by reference.

(19) Previously filed as an exhibit to Triton Energy Corporation's Annual Report on Form 10-K for the fiscal year ended May 31, 1991, and incorporated herein by reference.

(20) Previously filed as an exhibit to Triton Energy Corporation's current report on Form 8-K dated April 21, 1994, and incorporated by reference herein.

(21) Previously filed as an exhibit to Triton Energy Corporation's Current Report on Form 8-K dated May 26, 1995, and incorporated herein by reference.

(22) Previously filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, and incorporated herein by reference.

(23) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1997, and incorporated herein by reference.

(24) Previously filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1997, and incorporated herein by reference.

(25) Previously filed as an exhibit to Triton Energy Corporation's current report on Form 8-K/A dated July 15, 1994, and incorporated by reference herein.

(26) Previously filed as an exhibit to Triton Energy Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, and incorporated herein by reference.

(27) Management contract or compensatory plan or arrangement.

(28) Filed herewith.

</TABLE>

(b) Reports on Form 8-K.

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed by the undersigned thereunto duly authorized on the 17th day of March, 1999.

TRITON ENERGY LIMITED

By:/s/ James C. Musselman

James C. Musselman
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned officers and directors of Triton Energy Limited (the "Company") hereby constitutes and appoints James C. Musselman, Robert B. Holland, III, and Bernard Gros-Dubois, or any of them (with full power to each of them to act alone), his true and lawful attorney-in-fact and agent, with full power of substitution, for him and on his behalf and in his name, place and stead, in any and all capacities, to sign, execute, and file any and all documents relating to the Company's Annual Report on Form 10-K for the year ended December 31, 1998, including any and all amendments and supplements thereto, with any regulatory authority, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises in order to effectuate the same as fully to all intents and purposes as he himself might or could do if personally present, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute or substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on the 17th day of March, 1999.

Signatures	Title
/s/Bernard Gros-Dubois Bernard Gros-Dubois	Vice President (Principal Accounting and Financial Officer)
/s/Thomas O. Hicks Thomas O. Hicks	Chairman of the Board
/s/James C. Musselman James C. Musselman	President and Chief Executive Officer (Principal Executive Officer)
/s/Sheldon R. Erikson Sheldon R. Erikson	Director
/s/Jack D. Furst Jack D. Furst	Director
/s/Fitzgerald S. Hudson Fitzgerald Hudson	Director
John R. Huff	Director
/s/Michael E. McMahon Michael E. McMahon	Director
/s/C. Lamar Norsworthy C. Lamar Norsworthy	Director
/s/C. Richard Vermillion C. Richard Vermillion	Director

/s/J. Otis Winters Director

J. Otis Winters

TRITON ENERGY LIMITED AND SUBSIDIARIES
INDEX TO FINANCIAL STATEMENTS AND SCHEDULES

<TABLE>
<CAPTION>

</TABLE>

All other schedules are omitted as the required information is inapplicable or presented in the consolidated financial statements or related notes.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
Triton Energy Limited

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Triton Energy Limited and its subsidiaries at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP
Dallas, Texas
February 2, 1999

TRITON ENERGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

<S>	YEAR ENDED DECEMBER 31, 1998	1997	1996
SALES AND OTHER OPERATING REVENUES:			
Oil and gas sales	$ 160,881	$145,419	$129,795
Gain on sale of oil and gas assets	67,737	4,077	4,182
	228,618	149,496	133,977
COSTS AND EXPENSES:			
Operating	73,546	51,357	36,654
General and administrative	26,653	28,607	25,945
Depreciation, depletion and amortization	58,811	36,828	25,640
Writedown of assets	328,630	---	42,960
Special charges	18,324	---	---
	505,964	116,792	131,199
OPERATING INCOME (LOSS)	(277,346)	32,704	2,778
Gain on sale of Triton Pipeline Colombia	50,227	---	---
Interest income	3,258	5,178	6,703
Interest expense, net	(23,228)	(23,858)	(15,897)
Other income, net	8,480	2,872	27,361
	38,737	(15,808)	18,167
EARNINGS (LOSS) BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	(238,609)	16,896	20,945

Income tax expense (benefit)	(51,105)	11,301	(2,860)
EARNINGS (LOSS) BEFORE EXTRAORDINARY ITEM	(187,504)	5,595	23,805
Extraordinary item - extinguishment of debt	---	(14,491)	(1,196)
NET EARNINGS (LOSS)	(187,504)	(8,896)	22,609
DIVIDENDS ON PREFERENCE SHARES	3,061	400	985
EARNINGS (LOSS) APPLICABLE TO ORDINARY SHARES	$(190,565)	$ (9,296)	$ 21,624
Average ordinary shares outstanding	36,609	36,471	35,929
BASIC EARNINGS (LOSS) PER ORDINARY SHARE:			
Earnings (loss) before extraordinary item	$ (5.21)	$ 0.14	$ 0.64
Extraordinary item - extinguishment of debt	---	(0.40)	(0.03)
BASIC EARNINGS (LOSS)	$ (5.21)	$ (0.26)	$ 0.61
DILUTED EARNINGS (LOSS) PER ORDINARY SHARE:			
Earnings (loss) before extraordinary item	$ (5.21)	$ 0.14	$ 0.62
Extraordinary item - extinguishment of debt	---	(0.39)	(0.03)
DILUTED EARNINGS (LOSS)	$ (5.21)	$ (0.25)	$ 0.59

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

TRITON ENERGY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

<S> ASSETS	<C> PRO FORMA DECEMBER 31, 1998	<C> DECEMBER 31, 1998	<C> DECEMBER 31, 1997
	(Unaudited)		
CURRENT ASSETS:			
Cash and equivalents	$ 237,186	$ 19,122	$ 13,451
Trade receivables, net	9,554	9,554	12,963
Other receivables	48,415	48,415	52,162
Inventories, prepaid expenses and other	1,655	1,655	5,219
Assets held for sale	---	---	58,178
TOTAL CURRENT ASSETS	296,810	78,746	141,973
Property and equipment, at cost, net	556,122	556,122	835,506
Deferred income taxes	100,916	100,916	87,148
Other assets	20,349	20,349	33,412
	$ 974,197	$ 756,133	$ 1,098,039

LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Current maturities of long-term debt	$ 14,027	$ 14,027	$ 130,375
Short-term borrowings	5,000	5,000	54,600
Accounts payable and accrued liabilities	45,892	45,892	36,964
Deferred income	35,254	35,254	35,254
TOTAL CURRENT LIABILITIES	100,173	100,173	257,193
Long-term debt, excluding current maturities	413,465	413,465	443,312
Deferred income taxes	4,169	4,169	50,968
Deferred income and other	14,519	14,519	49,946
SHAREHOLDERS' EQUITY:			
5% preference shares, par value $.01; authorized 420,000 shares; issued 209,639 and 218,285 shares at December 31, 1998 and 1997, respectively, stated value $34.41	7,214	7,214	7,511
8% preference shares, par value $.01; authorized 11,000,000 shares; issued 1,822,500 shares (pro forma 5,000,000 shares) at December 31, 1998, stated value $70	350,000	127,575	---
Ordinary shares, par value $.01; authorized 200,000,000 shares; issued 36,643,478 and 36,541,064 shares at December 31, 1998 and 1997, respectively	366	366	365
Additional paid-in capital	571,502	575,863	588,454
Accumulated deficit	(485,085)	(485,085)	(297,581)
Accumulated other non-owner changes in shareholders' equity	(2,126)	(2,126)	(2,126)
	441,871	223,807	296,623
Less cost of ordinary shares in treasury	---	---	3
TOTAL SHAREHOLDERS' EQUITY	441,871	223,807	296,620
Commitments and contingencies (note 21)	---	---	---
	$ 974,197	$ 756,133	$ 1,098,039

</TABLE>

The Company uses the full cost method to account for its oil- and gas-producing activities.
See accompanying Notes to Consolidated Financial Statements.

TRITON ENERGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>
	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings (loss)	$(187,504)	$ (8,896)	$ 22,609
Adjustments to reconcile net earnings to net cash provided (used) by operating activities:			
Depreciation, depletion and amortization	58,811	36,828	25,640
Amortization of deferred income	(35,254)	(28,467)	(8,105)
Gain on sale of oil and gas assets	(67,737)	(4,077)	(4,182)
Gain on sale of Triton Pipeline Colombia	(50,227)	---	---
Writedown of assets	328,630	---	42,960

Payment of accreted interest on extinguishment of debt	---	(124,794)	---
Extraordinary loss on extinguishment of debt, net of tax	---	14,491	1,196
Amortization of debt discount	---	7,949	15,897
Deferred income taxes	(55,592)	8,078	(8,115)
Gain on sale of other assets	(7,590)	(1,409)	(11,649)
Other, net	3,962	6,100	(4,862)
Changes in working capital:			
Marketable debt securities - trading	---	1,856	4,149
Receivables	7,371	(2,408)	(5,048)
Inventories, prepaid expenses and other	902	(62)	(787)
Accounts payable and accrued liabilities	5,898	(2,605)	11,002
Net cash provided (used) by operating activities	1,670	(97,416)	80,705
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures and investments	(180,054)	(219,216)	(252,684)
Proceeds from sale of oil and gas assets	147,027	4,077	22,624
Proceeds from sale of Triton Pipeline Colombia	97,656	---	---
Proceeds from sales of other assets	22,353	1,822	15,881
Proceeds from sale of investments and marketable securities	---	2,000	38,507
Proceeds from sale of shareholdings in Crusader	---	---	69,583
Other	(2,630)	(1,383)	571
Net cash provided (used) by investing activities	84,352	(212,700)	(105,518)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from revolving lines of credit and long-term debt	162,530	620,413	53,911
Payments on revolving lines of credit and long-term debt	(350,511)	(321,515)	(70,884)
Short-term notes payable, net	(9,600)	9,600	---
Issuance of 8% preference shares, net	115,329	---	---
Issuances of ordinary shares	2,544	5,260	5,874
Other	(363)	(390)	(1,879)
Net cash provided (used) by financing activities	(80,071)	313,368	(12,978)
Effect of exchange rate changes on cash and equivalents	(280)	(849)	(211)
Net increase (decrease) in cash and equivalents	5,671	2,403	(38,002)
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	13,451	11,048	49,050
CASH AND EQUIVALENTS AT END OF YEAR	$ 19,122	$ 13,451	$ 11,048

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

TRITON ENERGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(IN THOUSANDS)

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>
	YEAR ENDED DECEMBER 31,					
	1998		1997		1996	
OWNER SOURCES OF SHAREHOLDERS' EQUITY:						

5% PREFERENCE SHARES:						
Balance at beginning of period	$ 7,511		$ 8,515		$ 14,109	
Conversion of 5% preference shares	(297)		(1,004)		(5,594)	
Balance at end of period	7,214		7,511		8,515	
8% PREFERENCE SHARES:						
Balance at beginning of period	---		---		---	
Issuances of 1,822,500 shares at $70 per share	127,575		---		---	
Balance at end of period	127,575		---		---	
ORDINARY SHARES:						
Balance at beginning of period	365		363		35,927	
Exercise of employee stock options and debentures	1		2		81	
Conversion of 5% preference shares	---		---		153	
Reduction in par value	---		---		(35,783)	
Other, net	---		---		(15)	
Balance at end of period	366		365		363	
ADDITIONAL PAID-IN CAPITAL:						
Balance at beginning of period	588,454		582,581		516,326	
Cash dividends, 5% preference shares	(368)		(400)		(985)	
Cash dividends, 8% preference shares	(2,693)		---		---	
Exercise of employee stock options and debentures	2,548		3,831		7,974	
Conversion of 5% preference shares	297		1,004		5,441	
Reduction in par value	---		---		35,783	
Transaction costs for issuance of 8% preference shares	(12,370)		---		---	
Sale of shareholdings in Crusader	---		---		20,413	
Other, net	(5)		1,438		(2,371)	
Balance at end of period	575,863		588,454		582,581	
TREASURY SHARES:						
Balance at beginning of period	(3)		(2)		(338)	
Retirement of treasury shares	5		---		204	
Other, net	(2)		(1)		132	
Balance at end of period	---		(3)		(2)	
TOTAL OWNER SOURCES OF SHAREHOLDERS' EQUITY	711,018		596,327		591,457	
NON-OWNER SOURCES OF SHAREHOLDERS' EQUITY:						
ACCUMULATED DEFICIT:						
Balance at beginning of period	(297,581)		(288,685)		(311,294)	
Net earnings (loss)	(187,504)	$(187,504)	(8,896)	$(8,896)	22,609	$22,609
Balance at end of period	(485,085)		(297,581)		(288,685)	
ACCUMULATED OTHER NON-OWNER CHANGES IN SHAREHOLDERS' EQUITY:						
Balance at beginning of period	(2,126)		(2,128)		(8,705)	
Foreign currency translation adjustments:						
Sale of shareholdings in Crusader		---		---		4,890
Translation rate changes		---		---		1,600
Valuation reserve on marketable securities		---		2		87
Other non-owner changes in shareholders' equity	---	---	2	2	6,577	6,577
Non-owner changes in shareholders' equity		$(187,504)		$(8,894)		$29,186
Balance at end of period	(2,126)		(2,126)		(2,128)	
TOTAL NON-OWNER SOURCES OF SHAREHOLDERS' EQUITY	(487,211)		(299,707)		(290,813)	

TOTAL SHAREHOLDERS' EQUITY	$ 223,807	$ 296,620	$ 300,644
	==========	==========	==========

</TABLE>

See accompanying Notes to Consolidated Financial Statements.

TRITON ENERGY LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(AMOUNTS IN TABLES IN THOUSANDS, EXCEPT FOR SHARE, PER SHARE AND PER BARREL DATA)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Triton Energy Limited ("Triton") is an international oil and gas exploration and production company. The term "Company" when used herein means Triton and its subsidiaries and other affiliates through which the Company conducts its business. The Company's principal properties, operations, and oil and gas reserves are located in Colombia and Malaysia-Thailand. The Company is exploring for oil and gas in these areas, as well as in southern Europe, Africa, and the Middle East. All sales are currently derived from oil and gas production in Colombia.

Triton, a Cayman Islands company, was incorporated in 1995 to become the parent holding company of Triton Energy Corporation, a Delaware corporation ("TEC"). On March 25, 1996, the stockholders of TEC approved the merger of a wholly owned subsidiary of Triton with and into TEC (the "Reorganization"). Pursuant to the Reorganization, Triton became the parent holding company of TEC and each share of common stock, par value $1.00, and 5% preferred stock of TEC outstanding on March 25, 1996, was converted into one Triton ordinary share, par value $.01, and one 5% Triton preference share, respectively. The Reorganization has been accounted for as a combination of entities under common control.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Triton and its majority-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The Company also consolidates its proportionate share of assets, liabilities and results of operations for oil and gas ventures. The investment in a previously owned 49.9% affiliate in which the Company exercised significant influence over operating and financial policies was accounted for using the equity method. Investments in less than 20%-owned affiliates are accounted for using the cost method.

CASH EQUIVALENTS AND MARKETABLE SECURITIES

Cash equivalents are highly liquid investments purchased with an original maturity of three months or less.

Investments in marketable debt securities are reported at fair value except for those investments that management has the positive intent and the ability to hold to maturity. Investments available-for-sale are classified based on the stated maturity of the securities, and changes in fair value are reported as a separate component of shareholders' equity. Trading investments are classified as current regardless of the stated maturity of the underlying securities, and changes in fair value are reported in other income, net. Investments that will be held to maturity are classified based on the stated maturity of the securities.

PROPERTY AND EQUIPMENT

The Company follows the full cost method of accounting for exploration and development of oil and gas reserves, whereby all acquisition, exploration and development costs are capitalized. Individual countries are designated as separate cost centers. All capitalized costs plus the undiscounted estimated future development costs of proved reserves are depleted using the unit-of-production method based on total proved reserves applicable to each country. A gain or loss is recognized on sales of oil and gas properties only when the sale involves significant reserves.

Costs related to acquisition, holding and initial exploration of licenses in countries with no proved reserves are initially capitalized, including internal costs directly identified with acquisition, exploration and development activities. Costs related to production, general overhead or similar activities are expensed. The Company's exploration licenses are periodically assessed for impairment on a country-by-country basis. If the Company's investment in exploration licenses within a country where no proved reserves are assigned is deemed to be impaired, the licenses are written down to estimated recoverable value. If the Company abandons all exploration efforts in a country where no proved reserves are assigned, all acquisition and exploration costs associated with the country are expensed. Due to the unpredictable nature of exploration drilling activities, the amount and timing of impairment expense are difficult to predict with any certainty.

The net capitalized costs of oil and gas properties for each cost center, less related deferred income taxes, cannot exceed the sum of (i) the estimated future net revenues from the properties, discounted at 10%; (ii) unevaluated costs not being amortized; and (iii) the lower of cost or estimated fair value of unproved properties being amortized; less (iv) income tax effects related to differences between the financial statement basis and tax basis of oil and gas properties.

The estimated costs, net of salvage value, of dismantling facilities or projects with limited lives or facilities that are required to be dismantled by contract, regulation or law, and the estimated costs of restoration and reclamation associated with oil and gas operations are included in estimated future development costs as part of the amortizable base.

Support equipment and facilities are depreciated using the unit-of-production method based on total reserves of the field related to the support equipment and facilities. Other property and equipment, which includes furniture and fixtures, vehicles and leasehold improvements, are depreciated principally on a straight-line basis over estimated useful lives ranging from 3 to 20 years.

Repairs and maintenance are expensed as incurred, and renewals and improve-ments are capitalized.

ENVIRONMENTAL MATTERS

Environmental costs are expensed or capitalized depending on their future economic benefit. Costs that relate to an existing condition caused by past operations and have no future economic benefit are expensed. Liabilities for future expenditures of a noncapital nature are recorded when future environmental expenditures and/or remediation is deemed probable, and the costs can be reasonably estimated. Costs of future expenditures for environmental remediation obligations are not discounted to their present value.

INCOME TAXES

Deferred tax liabilities or assets are recognized for the anticipated future tax effects of temporary differences between the financial statement basis and the tax basis of the Company's assets and liabilities using the enacted tax rates in effect at yearend. A valuation allowance for deferred tax assets is recorded when it is more likely than not that the benefit from the deferred tax asset will not be realized.

REVENUE RECOGNITION

Oil and gas revenues are recognized at the point of first measurement after production, which is generally upon delivery into field storage tank/processing facilities or pipelines. Cost reimbursements arising from carried interests granted by the Company are revenues to the extent the reimbursements are contingent upon and derived from production. Obligations arising from net profit interest conveyances are recorded as operating expenses when the obligation is incurred.

FOREIGN CURRENCY TRANSLATION

The U.S. dollar is the designated functional currency for all of the Company's foreign operations, except for foreign operations of a formerly owned affiliate where the local currency was used as the functional currency. The cumulative translation effects from translating balance sheet accounts from the functional currency into U.S. dollars are included as a separate component of shareholders' equity.

RISK MANAGEMENT

Oil and natural gas sold by the Company are normally priced with reference to a defined benchmark, such as light, sweet crude oil traded on the New York Merchantile Exchange (West Texas Intermediate or "WTI"). Actual prices received vary from the benchmark depending on quality and location differentials. From time to time, it is the Company's policy to use financial market transactions, including swaps, collars and options, with creditworthy counterparties, primarily to reduce risk associated with the pricing of a portion of the oil and natural gas that it sells. The Company may also enter into financial market transactions to benefit from its assessment of the future prices of its production relative to other benchmark prices.

Gains or losses on financial market transactions that qualify for hedge accounting are recognized in oil and gas sales at the time of settlement of the underlying hedged transactions. Premiums paid for financial market contracts are capitalized and amortized as operating expenses over the contract period. Changes in the fair market value of financial market transactions that do not qualify for hedge accounting are reflected as noncash adjustments to other income, net in the period the change occurs. Realized gains or losses on financial market transactions that do not qualify for hedge accounting are recorded in oil and gas sales.

The Company occasionally enters into foreign exchange contracts to reduce risk of unfavorable exchange-rate movements. The gains or losses arising from currency exchange contracts offset foreign exchange gains or losses on the underlying assets or liabilities or are deferred and offset against the carrying value of the firm commitment.

STOCK-BASED COMPENSATION

Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," encourages, but does not require, the adoption of a fair value-based method of accounting for employee stock-based compensation transactions. The Company has elected to apply the provisions of Accounting Principles Board Opinion No. 25 ("Opinion 25"), "Accounting for Stock Issued to Employees," and related interpretations, in accounting for its stock-based compensation plans. Under Opinion 25, compensation cost is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant above the amount an employee must pay to acquire the stock.

EARNINGS PER ORDINARY SHARE

Basic earnings (loss) per ordinary share amounts were computed by dividing net earnings (loss) after deduction of dividends on preference shares by the weighted average number of ordinary shares outstanding during the period. Prior to the Company's sale of its investment in Crusader Limited ("Crusader") in July 1996, the Company's proportionate shares owned by Crusader were not considered outstanding for purposes of determining weighted average number of shares outstanding. Diluted earnings (loss) per ordinary share assumes the conversion of all securities that are exercisable or convertible into ordinary shares that would dilute the basic earnings per ordinary share during the period.

COMPREHENSIVE INCOME

In June 1997, the Financial Accounting Standards Board issued Statement No. 130 ("SFAS 130"), "Reporting Comprehensive Income." SFAS 130 established standards for the reporting and display of comprehensive income and its components, specifically net income and all other changes in shareholders' equity except those resulting from investments by and distributions to shareholders. The Company, which adopted the standard beginning January 1, 1998, has elected to display comprehensive income (or non-owner changes in shareholders' equity) in the Consolidated Statement of Shareholders' Equity. This statement does not have any effect on the Company's results of operations or financial position.

RECENT ACCOUNTING AND DISCLOSURE PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires enterprises to recognize all derivatives as either assets or liabilities in the balance sheet and measure those instruments at fair value. The requisite accounting for changes in the fair value of a derivative will depend on the intended use of the derivative and the resulting designation. The Company must adopt SFAS 133 effective January 1, 2000. Based on the Company's outstanding derivatives contracts, the Company believes that the impact of adopting this standard would not have a material adverse effect on the Company's operations or consolidated financial condition. However, no assurances can be given with regard to the level of the Company's derivatives activities at the time SFAS 133 is adopted or the resulting effect on the Company's operations or consolidated financial condition.

THE USE OF ESTIMATES IN PREPARING FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

RECLASSIFICATIONS

Certain previously reported financial information has been reclassified to conform to the current period's presentation.

2. PRO FORMA BALANCE SHEET - 8% PREFERENCE SHARES ISSUANCE

In August 1998, the Company and HM4 Triton, L.P. ("HM4 Triton"), an affiliate of Hicks, Muse, Tate & Furst Incorporated ("Hicks Muse"), entered into a stock purchase agreement (the "Stock Purchase Agreement") that provided for a $350 million equity investment in the Company. The investment was effected in two stages. At the closing of the first stage in September 1998 (the "First Closing"), the Company issued to HM4 Triton 1,822,500 shares of 8% convertible preference shares ("8% Preference Shares") for $70 per share (for proceeds of $116.8 million, net of transaction costs). Pursuant to the Stock Purchase Agreement, the second stage was effected through a rights offering for 3,177,500 shares of 8% Preference Shares at $70 per share, with HM4 Triton being obligated to purchase any shares not subscribed. At the closing of the second stage, which occurred on January 4, 1999 (the "Second Closing"), the Company issued an additional 3,177,500 8% Preference Shares for proceeds totaling $218.1 million, net of closing costs (of which, HM4 Triton purchased 3,114,863 shares).

Proceeds from the First Closing, completed in September 1998, are reflected in the audited financial statements for the year ended December 31, 1998. Proceeds from the Second Closing, completed on January 4, 1999, are only reflected in the unaudited Pro Forma Consolidated Balance Sheet as of December 31, 1998, shown on page F-4.

3. WRITEDOWN OF ASSETS

Writedown of assets is summarized as follows:

<TABLE>
<CAPTION>

<S>	<C> DECEMBER 31, 1998	<C> 1997	<C> 1996
Evaluated oil and gas properties (SEC ceiling test)	$241,005	$ ---	$ ---
Unevaluated oil and gas properties	73,890	---	39,963
Other assets	13,735	---	2,997
	$328,630	$ ---	$42,960

</TABLE>

In June and December 1998, the carrying amount of the Company's evaluated oil and gas properties in Colombia was written down by $105.4 million ($68.5 million, net of tax) and $135.6 million ($115.9 million, net of tax), respectively, through application of the full cost ceiling limitation as prescribed by the Securities and Exchange Commission ("SEC"), principally as a result of a decline in oil prices. No adjustments were made to the Company's reserves in Colombia as a result of the decline in prices. The SEC ceiling test was calculated using the June 30, and December 31, 1998, WTI oil prices of $14.18 per barrel and $12.05 per barrel, respectively, that, after a differential for Cusiana crude delivered at the port of Covenas in Colombia, resulted in a net price of approximately $13 per barrel and $11 per barrel, respectively. An additional writedown may be required if oil prices fall below the December 31, 1998, level at later quarter end dates.

In conjunction with the plan to restructure operations and scale back exploration-related expenditures, the Company assessed its investments in exploration licenses and determined that certain investments were impaired. As a result, unevaluated oil and gas properties and other assets totaling $77.3 million ($72.6 million, net of tax) were expensed in June 1998. The writedown included $27.2 million and $22.5 million related to exploration activity in Guatemala and China, respectively. The remaining writedowns related to the Company's exploration projects in certain other areas of the world.

During 1998, the Company evaluated the recoverability of its approximate 6.6% investment in a Colombian pipeline company, Oleoducto de Colombia S.A. ("ODC"), which is accounted for under the cost method. Based on an analysis of the future cash flows expected to be received from ODC, the Company expensed the carrying value of its investment totaling $10.3 million.

In 1996, the Company's oil and gas properties and other assets in Argentina were written down $40 million and $3 million, respectively, following a review of technical information that indicated the acreage portfolio did not meet the Company's exploration objectives.

4. SPECIAL CHARGES

In July 1998, the Company commenced a plan to restructure the Company's operations, reduce overhead costs and substantially scale back exploration-related expenditures. The plan contemplated the closing of foreign offices in four countries, the elimination of approximately 105 positions, or 41% of the worldwide workforce, and the relinquishment or other disposal of several exploration licenses. As a result of the restructuring, the Company recognized special charges totaling $18.3 million ($15 million and $3.3 million in the third and fourth quarters, respectively). At December 31, 1998, approximately 105 positions had been eliminated, three foreign offices had closed and eight licenses had been relinquished, sold or their commitments renegotiated. The Company expects to close the remaining office and dispose of six other licenses during 1999.

Of the $18.3 million in special charges, $14.5 million related to the reduction in workforce, and represented the estimated costs for severance, benefit continuation and outplacement costs, which will be paid over a period of up to two years according to the severance formula. During 1998, the Company paid $7.4 million in severance, benefit continuation and outplacement costs. A total of $2.1 million of special charges related to the closing of foreign offices, and represented the estimated costs of terminating office leases and the write-off of related assets. The remaining special charges of $1.7 million primarily related to the write-off of other surplus fixed assets resulting from the reduction in workforce. As of December 31, 1998, no changes had been made to the Company's estimate of the total restructuring expenditures to be incurred. The remaining liability related to restructuring activities was $7.9 million at December 31, 1998.

5. ASSET DISPOSITONS

In December 1998, the Company sold its Bangladesh subsidiary for cash proceeds of $4.5 million and recognized a gain of $4.5 million in gain on sale of oil and gas assets.

In July 1998, the Company and Atlantic Richfield Company ("ARCO") signed an agreement providing financing for the development of the Company's gas reserves on Block A-18 of the Malaysia-Thailand Joint Development Area. Under terms of the agreement, consummated in August 1998, the Company sold to a subsidiary of ARCO for $150 million one-half of the shares of the subsidiary through which the Company owned its 50% share of Block A-18. The Company received net proceeds of $142 million and recorded a gain of $63.2 million in gain on the sale of oil and gas assets.

The agreements also require ARCO to pay the future exploration and development costs attributable to the Company's and ARCO's collective interest in Block A-18, up to $377 million or until first production from a gas field, after which the Company and ARCO would each pay 50% of such costs. Additionally, the agreements require ARCO to pay the Company an additional $65 million each at July 1, 2002, and July 1, 2005, if certain specific development objectives are met by such dates, or $40 million each if the objectives are met within one year thereafter. The agreements provide that the Company will recover its investment in recoverable costs in the project, approximately $101 million, and that ARCO will recover its investment in recoverable costs, on a first-in, first-out basis from the cost-recovery portion of future production.

In February 1998, the Company sold Triton Pipeline Colombia, Inc. ("TPC"), a wholly owned subsidiary that held the Company's 9.6% equity interest in the Colombian pipeline company, Oleoducto Central S. A. ("OCENSA"), to an unrelated third party (the "Purchaser") for $100 million. Net proceeds were approximately $97.7 million after $2.3 million of expenses. The sale resulted in a gain of $50.2 million. TPC's investment in OCENSA, totaling $47.4 million at December 31, 1997, was included in assets held for sale.

In conjunction with the sale of TPC, the Company entered into an equity swap with a creditworthy financial institution (the "Counterparty"). The equity swap has a notional amount of $97 million and requires the Company to make quarterly floating LIBOR-based payments on the notional amount to the Counterparty. In exchange, the Counterparty is required to make payments to the Company equivalent to 97% of the dividends TPC receives in respect of its equity interest in OCENSA. The Company's LIBOR-based payments commenced in March 1998, and OCENSA commenced paying dividends in September 1998. OCENSA's first dividend was attributable to the four month period ending June 1998. During the year ended December 31, 1998, the Company made payments to the Counterparty totaling $5.9 million and received payments from the Counterparty totaling $2.6 million.

The equity swap is carried in the Company's financial statements at fair value during its term, which as amended, will expire April 14, 2000. The value of the equity swap in the Company's financial statements is equal to the estimated fair value of the shares of OCENSA owned by TPC. Because there is no public market for the shares of OCENSA, the Company estimates their value using a discounted cash flow model applied to the distributions expected to be paid in respect of the OCENSA shares. The discount rate applied to the estimated cash flows from the OCENSA shares is based on a combination of current market rates of interest, a credit spread for OCENSA's debt, and a spread to reflect the preferred stock nature of the OCENSA shares. During the year ended December 31, 1998, the Company recorded an expense of $3.3 million in other income, net, related to the net payments made under and the change in the fair market value of the equity swap. Net payments made (or received) under the equity swap, and any fluctuations in the fair value of the equity swap, in future periods, will affect other income in such periods. There can be no assurance that changes in interest rates, or in other factors that affect the value of the OCENSA shares and/or the equity swap, will not have a material adverse effect on the carrying value of the equity swap.

Upon the expiration of the equity swap in April 2000, the Company expects that the Purchaser will sell the TPC shares. Under the terms of the equity swap with the Counterparty, upon any sale by the Purchaser of the TPC shares, the Company will receive from the Counterparty, or pay to the Counterparty, an amount equal to the excess or deficiency, as applicable, of the difference between 97% of the net proceeds from the Purchaser's sale of the TPC shares and the notional amount of $97 million. There can be no assurance that the value the Purchaser may realize in any sale of the TPC shares will equal the value of the shares estimated by the Company for purposes of valuing the equity swap. To the extent that 97% of the Purchaser's sale proceeds exceeds the notional amount, the Company will record a gain, and to the extent 97% of the Purchaser's sale proceeds is less than the notional amount, the Company will record an expense. The Company has no right or obligation to repurchase the TPC shares at any time, but the Company is not prohibited from offering to purchase the shares if the Purchaser offers to sell them.

In June 1997, the Company sold its Argentine subsidiary for cash proceeds of $4.1 million and recognized a gain of $4.1 million in gain on sale of oil and gas assets.

In June and July 1996, the Company sold its 49.9% shareholdings in Crusader for total cash proceeds of $69.6 million in conjunction with a May 1996 take-over bid for the outstanding shares of Crusader. The Company recorded a total gain of $10.4 million in other income, net, and an increase to additional paid-in capital of $20.4 million, representing the Company's proportion of Triton ordinary shares owned by Crusader that were previously treated as Triton owned.

In March 1996, the Company sold its royalty interests in U.S. properties for $23.8 million based on an effective date of January 1, 1996. The Company recorded the resulting gain of $4.1 million in gain on sale of oil and gas assets.

6. FORWARD SALE OF COLOMBIAN OIL PRODUCTION

In May 1995, the Company sold 10.4 million barrels of oil from the Cusiana and

Cupiagua fields (the "Fields") in Colombia in a forward oil sale. Under the terms of the sale, the Company received approximately $87 million of the approximately $124 million net proceeds and is entitled to receive substantially all of the remaining proceeds (now held in various interest-bearing reserve accounts) when the Company's Cusiana and Cupiagua fields project becomes self-financing, as defined in the agreement, which is expected in 1999, and when certain other conditions are met. At December 31, 1998, proceeds held in interest-bearing reserve accounts of $31.9 million and $1.1 million have been recorded as current and long-term receivables, respectively. The Company has recorded the net proceeds as deferred income and will recognize such revenue when the barrels of oil are delivered during a five-year period that began in June 1995. Under the terms of the agreement, the Company must deliver to the buyer 58,425 barrels per month through March 1997 and 254,136 barrels per month from April 1997 to March 2000.

7. OTHER RECEIVABLES

Other receivables consisted of the following:

<TABLE>
<CAPTION>

<S>	<C> DECEMBER 31, 1998	<C> DECEMBER 31, 1997
Receivable from the forward oil sale	$31,932	$31,770
Receivable from insurance	8,413	1,852
Receivable from partners	2,007	11,152
Other	6,063	7,388
	$48,415	$52,162

</TABLE>

At December 31, 1998, the Company had recorded a receivable from its insurance carriers of $8.4 million associated with claims on previously drilled wells.

8. PROPERTY AND EQUIPMENT

Property and equipment, at cost, are summarized as follows:

<TABLE>
<CAPTION>

<S>	<C> DECEMBER 31, 1998	<C> DECEMBER 31, 1997
Oil and gas properties, full cost method:		
Evaluated	$ 608,616	$ 518,580
Unevaluated	90,918	130,626
Support equipment and facilities	289,659	250,193
Other	18,915	25,121
	1,008,108	924,520
Less accumulated depreciation and depletion	451,986	89,014
	$ 556,122	$ 835,506

</TABLE>

In 1998, the carrying amount of the Company's evaluated oil and gas properties was written down by $241 million through application of the full cost ceiling limitation as prescribed by the SEC as a result of the decline in oil prices. Additionally, unevaluated oil and gas properties were written down $73.9 million during 1998 in conjunction with a plan to restructure the Company's operations. See note 3 - Writedown of Assets.

The Company capitalizes interest on qualifying assets, principally unevaluated oil and gas properties and major development projects in progress. Capitalized interest amounted to $23.2 million, $25.8 million and $27.1 million in the years ended December 31, 1998, 1997 and 1996, respectively. The Company capitalized general and administrative expenses related to exploration and development activities of $20.6 million, $32.4 million, and $24.6 million in the years ended December 31, 1998, 1997 and 1996, respectively.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are summarized as follows:

	DECEMBER 31,	
	1998	1997
Accounts payable, principally trade	$ 9,144	$ 5,819
Accrued interest payable	8,160	9,449
Accrued special charges	7,869	---
Accrued exploration and development	4,598	12,903
Dividends payable	2,693	---
Litigation and environmental matters	2,064	2,715
Other	11,364	6,078
	$45,892	$36,964

10. DEBT

SHORT-TERM BORROWINGS

At December 31, 1998, the Company had outstanding borrowings totaling $5 million under a $25 million unsecured bank revolving credit facility. Borrowings bear interest at various spreads over the Eurodollar rate or, at the option of the Company, at LIBOR or prime. The interest rate on short-term borrowings at December 31, 1998, was 7.75%.

At December 31, 1997, the Company had outstanding borrowings totaling $45 million under two unsecured revolving credit facilities and outstanding borrowings of $9.6 million under a $10 million unsecured demand promissory note with a bank that renews monthly. The weighted average interest rates on short-term borrowings outstanding at December 31, 1997, was 7.3%.

LONG-TERM DEBT

A summary of long-term debt follows:

	DECEMBER 31,	
	1998	1997
Senior Notes due 2005	$200,000	$200,000
Senior Notes due 2002	199,924	199,900
Term credit facility maturing 2001	22,568	31,595

Revolving credit facility maturing 1999	5,000	17,500
Revolving credit facility maturing 1998	---	119,900
Other notes and capitalized leases	---	4,792
	427,492	573,687
Less current maturities	14,027	130,375
	$413,465	$443,312

</TABLE>

In April 1997, the Company issued $400 million aggregate face value of senior indebtedness to refinance other indebtedness. The senior indebtedness consisted of $200 million face amount of 8 3/4% Senior Notes due April 15, 2002 (the "2002 Notes"), at 99.942% of the principal amount (resulting in $199.9 million aggregate net proceeds) and $200 million face amount of 9 1/4% Senior Notes due April 15, 2005 (the "2005 Notes" and, together with the 2002 Notes, the "Senior Notes"), at 100% of the principal amount, for total aggregate net proceeds of $399.9 million before deducting transaction costs of approximately $1 million.

Interest on the Senior Notes is payable semi-annually on April 15 and October 15. The Senior Notes are redeemable at any time at the option of the Company, in whole or in part, and contain certain covenants limiting the incurrence of certain liens, sale/leaseback transactions, and mergers and consolidations.

In November 1995, a subsidiary signed an unsecured term credit facility with a bank supported by a guarantee issued by the Export-Import Bank of the United States ("EXIM") for $45 million, which matures in January 2001. Principal and interest payments are due semi-annually on January 15 and July 15 and borrowings bear interest at LIBOR plus .25%, adjusted on a semi-annual basis. At December 31, 1998, the Company had outstanding borrowings of $22.6 million under the facility.

During 1997, the Company signed an unsecured bank revolving credit facility providing for borrowings of up to $50 million that, as amended, matures in May 1999. Borrowings bear interest at various spreads over the Eurodollar rate or, at the Company's option, at LIBOR or prime. At December 31, 1998, the Company had outstanding borrowings of $5 million under the facility.

At December 31, 1997, the Company had outstanding borrowings of $119.9 million and letters of credit for $4.5 million under a $125 million unsecured bank revolving credit facility. The facility was repaid and terminated in 1998.

In May and June 1997, the Company completed a tender offer and consent solicitation with respect to its Senior Subordinated Discount Notes due November 1, 1997 ("1997 Notes") and 9 3/4% Senior Subordinated Discounted Notes due December 15, 2000 ("9 3/4% Notes") that resulted in the retirement of the 1997 Notes and substantially all of the 9 3/4 % Notes. The Company's results of operations included an extraordinary expense of $14.5 million, net of a $7.8 million tax benefit, associated with the extinguishment of the 1997 Notes and the 9 3/4% Notes. The Company's reported cash flows from operating activities for the year ended December 31, 1997, were reduced by $124.8 million, which was attributable to the interest accreted with respect to the 1997 Notes and the 9 3/4 % Notes through the dates of retirement. The remainder of the 9 3/4% Notes were retired in 1998.

During 1996, the Company purchased in the open market $30 million face value of its 1997 Notes and realized an extraordinary expense of $1.2 million, net of a $.6 million tax benefit.

The Company amortizes debt issue costs over the life of the borrowing using the interest method. Amortization related to the Company's debt-issue costs was $2.9 million, $2 million and $3.6 million in the years ended December 31, 1998, 1997 and 1996, respectively. The aggregate maturities of long-term debt for the five years during the period ending December 31, 2003, are as follows: 1999 -- $14 million; 2000 -- $9 million; 2001 -- $4.5 million; 2002 -- $199.9 million; and 2003 -- nil.

11. INCOME TAXES

The components of earnings (loss) from continuing operations before income taxes and extraordinary item were as follows:

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Cayman Islands	$ 82,995	$ (12,969)	$ (452)
United States	(24,003)	(31,694)	(16,641)
Foreign - other	(297,601)	61,559	38,038
	$(238,609)	$ 16,896	$ 20,945

Pursuant to the Reorganization in March 1996, Triton, a Cayman Islands company, became the parent holding company of TEC, a Delaware corporation. As a result, the Company's corporate domicile became the Cayman Islands.

The components of the provision for income taxes on continuing operations were as follows:

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Current:			
Cayman Islands	$ ---	$ ---	$ ---
United States	---	(7)	(172)
Foreign - other	4,487	3,230	5,427
Total current	4,487	3,223	5,255
Deferred:			
Cayman Islands	---	---	---
United States	1,457	(7,929)	(23,489)
Foreign - other	(57,049)	16,007	15,374
Total deferred	(55,592)	8,078	(8,115)
Total	$(51,105)	$11,301	$ (2,860)

A reconciliation of the differences between the Company's applicable statutory tax rate and the Company's effective income tax rate follows:

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Tax provision at statutory tax rate	0.0 %	0.0 %	0.0 %
Increase (decrease) resulting from:			
Net change in valuation allowance	3.9 %	263.0 %	(111.6)%
Recognition of outside basis adjustments	--- %	--- %	(20.3)%

Foreign items without tax benefit	(34.9)%	77.8 %	25.8 %
Income subject to tax in excess of statutory rate	32.6 %	36.9 %	58.4 %
Current year change in NOL/credit carryforwards	(4.8)%	(356.7)%	(59.2)%
Temporary differences:			
Oil and gas basis adjustments	25.7 %	32.5 %	80.6 %
Reimbursement of pre-commerciality costs	(1.1)%	13.2 %	10.9 %
Other	--- %	0.2 %	1.8 %
	21.4 %	66.9 %	(13.6)%

</TABLE>

The components of the net deferred tax asset and liability were as follows:

<TABLE>
<CAPTION>

<S>	<C> DECEMBER 31, 1998	<C>	<C>	<C> DECEMBER 31, 1997	<C>	<C>
	U.S.	COLOMBIA	OTHER FOREIGN	U.S.	COLOMBIA	OTHER FOREIGN
Deferred tax asset:						
Net operating loss carryforwards	$145,475	$ 7,992	$ 7,219	$156,579	$ 10,088	$ 8,187
Depreciable/depletable property	1,252	27,730	---	2,046	---	---
Credit carryforwards	1,731	6,813	---	1,726	3,986	---
Reserves	2,502	---	---	1,090	---	---
Other	1,505	---	---	799	---	---
Gross deferred tax asset	152,465	42,535	7,219	162,240	14,074	8,187
Valuation allowances	(65,881)	(27,730)	---	(75,092)	---	---
Net deferred tax asset	86,584	14,805	7,219	87,148	14,074	8,187
Deferred tax liability:						
Depreciable/depletable property	---	---	(11,388)	---	(58,143)	(15,086)
Other	(473)	---	---	---	---	---
Net deferred tax asset (liability)	86,111	14,805	(4,169)	87,148	(44,069)	(6,899)
Less current deferred tax asset (liability)	---	---	---	---	---	---
Noncurrent deferred tax asset (liability)	$ 86,111	$ 14,805	$ (4,169)	$ 87,148	$(44,069)	$ (6,899)

</TABLE>

At December 31, 1998, the Company had net operating loss ("NOLs") and depletion carryforwards for U.S. tax purposes of $415.6 million and $20.3 million, respectively. The U.S. NOLs expire from 1999 through 2012 as follows:

<TABLE>
<CAPTION>

<S>	<C> NOLS EXPIRING BY YEAR

May 1999	$ 16,745
May 2000	19,571
May 2001	30,389
May 2002	22,670
May 2003	20,566
May 2004 - May 2012	305,668

	$ 415,609
	=========

</TABLE>

At December 31, 1998, the Company's Colombian operations and other foreign operations had NOLs and other credit carryforwards totaling $42.3 million and $31.7 million, respectively. The NOLs expire from 1999 through 2008.

The deferred tax valuation allowance of $93.6 million at December 31, 1998, is primarily attributable to management's assessment of the utilization of NOLs in the U.S., the expectation that other tax credits will expire without being utilized, and certain temporary differences will reverse without a benefit to the Company. The minimum amount of future taxable income necessary to realize the deferred tax asset is approximately $246 million and $42 million in the U.S. and Colombia, respectively. Although there can be no assurance the Company will achieve such levels of income, management believes the deferred tax asset will be realized through increasing income from its operations.

If certain changes in the Company's ownership should occur, there would be an annual limitation on the amount of NOLs that can be utilized. To the extent a change in ownership does occur, the limitation is not expected to materially impact the utilization of such carryforwards.

12. EMPLOYEE BENEFITS

PENSION PLANS

The Company has a defined benefit pension plan covering substantially all employees in the United States. The benefits are based on years of service and the employee's final average monthly compensation. Contributions are intended to provide for benefits attributed to past and future services. The Company also has a Supplemental Executive Retirement Plan ("SERP") that is unfunded and provides supplemental pension benefits to a select group of management and key employees.

The funding status of the plans follows:

<TABLE>
<CAPTION>

	DECEMBER 31,			
	1998		1997	
	DEFINED BENEFIT PLAN	SERP PLAN	DEFINED BENEFIT PLAN	SERP PLAN
<S>	<C>	<C>	<C>	<C>
Change in benefit obligation:				
Benefit obligation at beginning of year	$ 6,008	$ 6,621	$ 4,849	$ 5,288
Service cost	560	799	343	489
Interest cost	438	607	375	408
Amendments	---	434	---	---
Actuarial loss/(gain)	472	913	756	699
Benefits paid	(377)	(1,617)	(315)	(263)
Curtailment gain	(666)	(1,178)	---	---
	---------	--------	---------	--------
Benefit obligation at end of year	6,435	6,579	6,008	6,621
	---------	--------	---------	--------

Change in plan assets:				
Fair value of plan assets at beginning of year	5,531	---	4,789	---
Actual return on plan assets	1,446	---	921	---
Company contribution	468	1,617	136	263
Benefits paid	(377)	(1,617)	(315)	(263)
Fair value of plan assets at end of year	7,068	---	5,531	---
Reconciliation:				
Funded status	633	(6,579)	(477)	(6,621)
Unrecognized actuarial (gain)/loss	(908)	480	250	745
Unrecognized transition (asset)/obligation	(8)	695	(10)	1,288
Unrecognized prior service cost	373	253	598	133
Prepaid/(accrued) pension cost	90	(5,151)	361	(4,455)
Adjustment for minimum liability	---	---	---	(326)
Adjusted prepaid/(accrued) pension cost	$ 90	$(5,151)	$ 361	$(4,781)

</TABLE>

A summary of the components of pension expense follows:

<TABLE>
<CAPTION>

<S> <C> <C> <C>

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Components of net periodic pension cost:			
Service cost	$1,359	$ 832	$ 767
Interest cost	1,045	783	736
Expected return on plan assets	(481)	(416)	(375)
Amortization of transition obligation	591	166	166
Amortization of prior service cost	538	67	66
Net periodic pension cost	$3,052	$1,432	$1,360

</TABLE>

The projected benefit obligations at December 31, 1998 and 1997, assume a discount rate of 6.75% and 7.5%, respectively, and a rate of increase in compensation expense of 5%. The expected long-term rate of return on assets is 9% for the defined benefit plan. During 1998, work-force reductions resulted in the recognition of additional prior service cost of $.2 million each for the defined benefit plan and the SERP plan and additional transition obligation of $.4 million for the SERP plan.

EMPLOYEE STOCK OWNERSHIP PLAN

Effective January 1, 1994, the Company amended and restated the employee stock ownership plan to form a 401(k) plan (the "Plan"). The Company recognizes expense based on actual amounts contributed to the Plan.

13. SHAREHOLDERS' EQUITY

5% PREFERENCE SHARES

In connection with the acquisition of the minority interest in Triton Europe in 1994, the Company designated a series of 550,000 preferred shares (522,460 shares issued) as 5% preferred stock, no par value, with a stated value of $34.41 per share. Pursuant to the Reorganization, Triton converted each share of 5% preferred stock into one 5% convertible preference share ("5% Preference Shares"), par value $.01. Each share of the Company's 5% Preference Shares is convertible into one Triton ordinary share and bears a cash dividend, which has priority over dividends on Triton's ordinary shares, equal to 5% per annum on the redemption price of $34.41 per share, payable semi-annually on March 30 and September 30 of each year. The 5% Preference Shares have priority over Triton ordinary shares upon liquidation, and may be redeemed at Triton's option at any time on or after March 30, 1998, for cash equal to the redemption price. Any shares that remain outstanding on March 30, 2004, must be redeemed at the redemption price, either for cash or, at the Company's option, for Triton ordinary shares. At December 31, 1998, 1997 and 1996, 209,639, 218,285 and 247,469 5% Preference Shares were outstanding, respectively.

8% PREFERENCE SHARES

In August 1998, the Company entered into the Stock Purchase Agreement with HM4 Triton. The First Closing, as contemplated by the Stock Purchase Agreement, occurred on September 30, 1998, pursuant to which the Company issued to HM4 Triton 1,822,500 shares of 8% Preference Shares for $70 per share, or total proceeds of $127.6 million (before expenses of $10.8 million). Each 8% Preference Share is convertible at any time at the option of the holder into four ordinary shares of the Company (subject to certain antidilution protections). Holders of 8% Preference Shares are entitled to receive, when and if declared by the Board of Directors, cumulative dividends at a rate per annum equal to 8% of the liquidation preference of $70 per share, payable for each semi-annual period ending June 30 and December 30, commencing June 30, 1999. At the Company's option, dividends may be paid in cash or by the issuance of additional whole shares of 8% Preference Shares. Holders of 8% Preference Shares are entitled to vote with the holders of ordinary shares on all matters submitted to the shareholders of the Company for a vote, with each share of 8% Preference Share entitling its holder to a number of votes equal to the number of ordinary shares into which it could be converted at that time.

ORDINARY SHARES

Changes in issued ordinary shares were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Balance at beginning of year	36,541,064	36,342,181	35,927,279
Exercise of employee stock options and debentures	47,238	133,736	258,333
Issuances under stock plans	46,648	35,961	9,910
Conversion of 5% preference shares	8,646	29,184	162,548
Other, net	(118)	2	(15,889)
Balance at end of year	36,643,478	36,541,064	36,342,181

</TABLE>

Changes in ordinary shares held in treasury were as follows:

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Balance at beginning of year	73	40	26,635

Purchase of treasury shares	64	33	91
Transfer of shares to employee benefit plans	---	---	(10,797)
Retirement of treasury shares	(137)	---	(15,889)
Balance at end of year	---	73	40

</TABLE>

SHAREHOLDER RIGHTS PLAN

The Company has adopted a Shareholder Rights Plan pursuant to which preference share rights attach to all ordinary shares at the rate of one right for each ordinary share. Each right entitles the registered holder to purchase from the Company one one-thousandth of a Series A Junior Participating Preference Share, par value $.01 per share ("Junior Preference Shares"), of the Company at a price of $120 per one one-thousandth of a share of such Junior Preference Shares, subject to adjustment. Generally, the rights only become distributable 10 days following public announcement that a person has acquired beneficial ownership of 15% or more of Triton's ordinary shares or 10 business days following commencement of a tender offer or exchange offer for 15% or more of the outstanding ordinary shares; provided that, pursuant to the terms of the plan, any acquisition of Triton shares by HM4 Triton or its affiliates, including Hicks, Muse, Tate & Furst Incorporated, will not result in the distribution of rights unless and until HM4 Triton's ownership of Triton shares is reduced below certain levels. If, among other events, any person becomes the beneficial owner of 15% or more of Triton's ordinary shares (except as provided with respect to HM4 Triton), each right not owned by such person generally becomes the right to purchase such number of ordinary shares of the Company equal to the number obtained by dividing the right's exercise price (currently $120) by 50% of the market price of the ordinary shares on the date of the first occurrence. In addition, if the Company is subsequently merged or certain other extraordinary business transactions are consummated, each right generally becomes a right to purchase such number of shares of common stock of the acquiring person equal to the number obtained by dividing the right's exercise price by 50% of the market price of the common stock on the date of the first occurrence.

Under certain circumstances, the Company's directors may determine that a tender offer or merger is fair to all shareholders and prevent the rights from being exercised. At any time after a person or group acquires 15% or more of the ordinary shares outstanding (other than with respect to HM4 Triton) and prior to the acquisition by such person or group of 50% or more of the outstanding ordinary shares or the occurrence of an event described in the prior paragraph, the Board of Directors of the Company may exchange the rights (other than rights owned by such person or group which will become void), in whole or in part, at an exchange ratio of one ordinary share, or one one-thousandth of a Junior Preference Share, per right (subject to adjustment). The Company has the ability to amend the rights (except the redemption price) in any manner prior to the public announcement that a 15% position has been acquired or a tender offer has been commenced. The Company will be entitled to redeem the rights at $0.01 a right at any time prior to the time that a 15% position has been acquired. The rights will expire on May 22, 2005, unless earlier redeemed by the Company.

14. STOCK COMPENSATION PLANS

STOCK OPTION PLANS

Options to purchase ordinary shares of the Company may be granted to officers and employees under various stock option plans. The exercise price of each option is equal to or greater than the market price of the Company's ordinary shares on the date of grant. Grants generally become exercisable in 25% cumulative annual increments beginning one year from the date of issuance and generally expire during a period from 5 to 10 years after the date of grant, depending on terms of the grant. In addition, each non-employee director receives an option to purchase 15,000 shares each year. These grants become exercisable at the date of the grant and expire at the end of 10 years. At December 31, 1998 and 1997, shares available for grant were 2,521,133 and 1,040,965, respectively.

A summary of the status of the Company's stock option plans is presented below:

<TABLE>
<CAPTION>
<S> <C> <C> <C> <C> <C> <C>

	DECEMBER 31, 1998		DECEMBER 31, 1997		DECEMBER 31, 1996	
	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at beginning of year	4,449,435	$39.05	3,854,046	$38.81	3,177,304	$35.49
Granted	2,894,603	20.56	744,250	39.99	971,000	47.97
Exercised	(47,238)	29.30	(83,736)	30.76	(216,333)	30.40
Canceled	(3,239,593)	38.39	(65,125)	46.09	(77,925)	40.74
Outstanding at end of year	4,057,207	26.51	4,449,435	39.05	3,854,046	38.81
Options exercisable at year-end	2,804,584		2,728,254		2,042,492	
Weighted average fair value of options:						
Granted at market prices	$ 6.12		$ 16.37		$ 19.89	
Granted at greater than market prices	$ 2.84		$ ---		$ ---	

</TABLE>

On December 2, 1998, the Compensation Committee approved the grant of new stock options totaling 440,103 shares with an exercise price of $14.50 to substantially all of its employees. Each participating employee was granted options in an amount equal to one-half of any options then held by the employees with an exercise price greater than $30.00 per share and the options with an exercise price greater than $30.00 per share expired.

The following table summarizes information about stock options outstanding at December 31, 1998:

<TABLE>
<CAPTION>
<S> <C> <C> <C> <C> <C>

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING AT DEC. 31, 1998	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT DEC. 31, 1998	WEIGHTED AVERAGE EXERCISE PRICE
$ 8.38 - 19.88	1,780,453	4.7 years	$ 15.66	646,330	$ 15.02
25.13 - 39.63	1,581,504	3.9 years	30.23	1,526,504	30.36
40.25 - 49.13	386,250	4.2 years	41.47	342,750	41.60
50.25 - 52.25	309,000	4.9 years	51.24	289,000	51.29
	4,057,207			2,804,584	

</TABLE>

CONVERTIBLE DEBENTURE PLAN

Under the Company's Amended and Restated Convertible Debenture Plan, executive officers of the Company have from time to time purchased from the Company convertible debentures convertible into Ordinary Shares at a conversion price equal to the market value of the Ordinary Shares at the date of purchase. The consideration for the convertible debentures given by each executive officer was a personal promissory note payable to the Company in a principal amount equal to the principal amount of the convertible debentures purchased. In July 1998, the Company agreed with each of its executive officers to exchange the Company's interest in the officer's note for the officer's interest in the convertible debentures. In connection with his severance from the Company, the Company redeemed the convertible debentures held by a former executive officer in accordance with their terms. As a result, all outstanding debentures, totaling $14.2 million, were cancelled.

EMPLOYEE STOCK PURCHASE PLAN

The Company has an employee stock purchase plan that provides for the award of ordinary shares to key officers and employees. Under the terms of the plan, employees can choose each semi-annual period to have up to 15% of their annual gross or base compensation withheld to purchase the Company's ordinary shares. The purchase price of the stock is 85% of the lower of its beginning of period or end of period market price. Under the plan, the Company sold 46,648 shares and 24,961 shares to employees for the years ended December 31, 1998 and 1997, respectively.

FAIR VALUE OF STOCK COMPENSATION

The Company applies Opinion 25 in accounting for its plans. Accordingly, no compensation cost has been recognized for its fixed stock option plans, convertible debenture plan and stock purchase plan. Had the Company elected to recognize compensation expense consistent with the fair value-based methodology in SFAS 123, the Company's net income and earnings per share would have been as follows:

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Net earnings (loss) applicable to ordinary shares:			
As reported	$(190,565)	$ (9,296)	$21,624
Pro forma	(200,147)	(16,802)	17,414
Basic earnings (loss) per ordinary share:			
As reported	$ (5.21)	$ (0.26)	$ 0.61
Pro forma	(5.47)	(0.46)	0.48
Diluted earnings (loss) per ordinary share:			
As reported	$ (5.21)	$ (0.25)	$ 0.59
Pro forma	(5.47)	(0.46)	0.47

The fair value of each option or debenture granted was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in 1998, 1997 and 1996: dividend yield of 0%; expected volatility of approximately 40%, 26% and 27%, respectively; risk-free interest rates of approximately 5%, 6% and 6%, respectively; and an expected life of approximately four to seven years.

STOCK APPRECIATION RIGHTS PLAN

The Company has a stock appreciation rights ("SARs") plan which authorizes the granting of SARs to non-employee directors of the Company. Upon exercise, SARs allow the holder to receive the difference between the SARs' exercise price and the fair market value of the ordinary shares covered by SARs on the exercise date and expire at the earlier of 10 years or a date based on the termination of the holder's membership on the board of directors. At December 31, 1998, SARs covering 20,000 ordinary shares, with an exercise price of $8.00 per share, were outstanding.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS, RISK MANAGEMENT AND CREDIT RISK CONCENTRATIONS

FAIR VALUE OF FINANCIAL INSTRUMENTS

At December 31, 1998 and 1997, the Company's financial instruments included cash, cash equivalents, short-term receivables, long-term receivables, short-term and long-term debt, and financial market transactions. The fair value of cash, cash equivalents, short-term receivables and short-term debt approximated carrying values because of the short maturities of these instruments. The fair values of the Company's long-term receivables and financial market transactions, based on broker quotes and discounted cash flows, approximated the carrying values. The estimated fair value of long-term debt, based on quoted market prices and market data for similar instruments, was $397 million (carrying value - $428 million) and $596 million (carrying value - $574 million) at December 31, 1998 and 1997, respectively.

RISK MANAGEMENT

Oil and natural gas sold by the Company are normally priced with reference to a defined benchmark, such as light, sweet crude oil traded on the New York Mercantile Exchange (WTI). Actual prices received vary from the benchmark depending on quality and location differentials. From time to time, it is the Company's policy to use financial market transactions, including swaps, collars and options, with creditworthy counterparties primarily to reduce risk associated with the pricing of a portion of the oil and natural gas that it sells. The policy is structured to underpin the Company's planned revenues and results of operations. The Company may also enter into financial market transactions to benefit from its assessment of the future prices of its production relative to other benchmark prices. There can be no assurance that the use of financial market transactions will not result in losses.

During the year ended December 31, 1998, the Company did not have any outstanding financial market transactions to hedge against oil price fluctuations. During the years ended December 31, 1997 and 1996, markets provided the Company the opportunity to realize WTI benchmark oil prices on average $2.35 per barrel and $4.68 per barrel, respectively, above the WTI benchmark oil price the Company set as part of its annual plan for the period. As a result of financial and commodity market transactions settled during the years ended December 31, 1997 and 1996, the Company's risk management program resulted in an average net realization of approximately $.11 per barrel and $1.21 per barrel, respectively, lower than if the Company had not entered into such transactions.

In anticipation of entering into a forward oil sale, in 1995 the Company purchased WTI benchmark call options to retain the ability to benefit from future WTI price increases above a weighted average price of $20.42 per barrel. The volumes and expiration dates on the call options coincide with the volumes and delivery dates of the forward oil sale. During the years ended December 31, 1998, 1997 and 1996, the Company recorded an unrealized gain (loss) of $.4 million, ($9.7 million) and $11 million, respectively, in other income, net related to the change in the fair market value of the call options. Future fluctuations in the fair market value of the call options will continue to affect other income as noncash adjustments.

CONCENTRATION OF CREDIT RISK

Financial instruments that are potentially subject to concentrations of credit risk consist of cash equivalents, receivables and financial market transactions. The Company places its cash equivalents and financial market transactions with high credit-quality financial institutions. The Company believes the risk of incurring losses related to credit risk is remote.

The Company sells its crude oil production from the Fields through an agreement with a third party to approximately 10 to 15 buyers located primarily in the United States. The Company does not believe that the loss of any single customer or a termination of the agreement with the third party would have a long-term material, adverse effect on its operations.

16. OTHER INCOME, NET

Other income, net is summarized as follows:

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>
	YEAR ENDED DECEMBER 31,		
	1998	1997	1996

Gain on sale of corporate assets	$7,593	$1,414	$---
Equity swap	(3,283)	---	---
Foreign exchange gain (loss)	2,113	9,549	(561)
Change in fair market value of WTI benchmark call options	366	(9,689)	10,987
Proceeds from legal settlements	---	765	7,624
Gain on sale of shareholdings in Crusader	---	---	10,417
Loss provisions	(750)	---	(3,193)
Other	2,441	833	2,087
	$ 8,480	$ 2,872	$27,361

</TABLE>

During 1998 and 1997, the Company sold certain corporate assets for cash proceeds of $20.6 million and $1.8 million, respectively. In 1998 and 1997, the Company recognized foreign exchange gains of $2.1 million and $9.5 million, respectively, primarily noncash adjustments to deferred tax liabilities in Colombia associated with devaluation of the Colombian peso versus the U.S. dollar.

17. EARNINGS PER ORDINARY SHARE

For the year ended December 31, 1998, the computation of diluted net loss per ordinary share was antidilutive, and therefore, the amounts reported for basic and diluted net loss per ordinary share were the same.

The following table reconciles the numerators and denominators of the basic and diluted earnings per ordinary share computation for earnings from continuing operations for the years ended December 31, 1997 and 1996.

<TABLE>
<CAPTION>

<S>	<C> INCOME (NUMERATOR)	<C> SHARES (DENOMINATOR)	<C> PER-SHARE AMOUNT
YEAR ENDED DECEMBER 31, 1997:			
Earnings before extraordinary item	$ 5,595		
Less: Preference share dividends	(400)		
Earnings available to ordinary shareholders	5,195		
Basic earnings per ordinary share		36,471	$ 0.14
Effect of dilutive securities			
Stock options	---	457	
Convertible debentures	---	80	
Earnings available to ordinary shareholders and assumed conversions	$ 5,195		
Diluted earnings per ordinary share		37,008	$ 0.14
YEAR ENDED DECEMBER 31, 1996:			
Earnings from continuing operations	$ 23,805		
Less: Preference share dividends	(985)		
Earnings available to ordinary shareholders	22,820		
Basic earnings per ordinary share		35,929	$ 0.64

Effect of dilutive securities			
Stock options	---	843	
Convertible debentures	---	147	
Earnings available to ordinary shareholders and assumed conversions	$ 22,820		
Diluted earnings per ordinary share		36,919	$ 0.62

</TABLE>

At December 31, 1998, 1,822,500 shares of 8% Preference Shares and 209,639 shares of 5% Preference Shares were outstanding. Each 8% Preference Share is convertible any time into four ordinary shares, subject to adjustment in certain events. Each 5% Preference Share is convertible any time into one ordinary share, subject to adjustment in certain events. The 8% Preference Shares and 5% Preference Shares were not included in the computation of diluted earnings per ordinary share because the effect of assuming conversion was antidilutive. The Company issued an additional 3,177,500 8% Preference Shares in January 1999, which will affect diluted earnings per share in future periods. See note 2, Pro Forma Balance Sheet - 8% Preference Share Issuance.

18. STATEMENTS OF CASH FLOWS

Supplemental disclosures of cash payments and noncash investing and financing activities follow:

<TABLE>
<CAPTION>

<S> <C> <C> <C>

	YEAR ENDED DECEMBER 31,		
	1998	1997	1996
Cash paid during the year for:			
Interest (net of amount capitalized)	$24,517	$133,265	$ ---
Income taxes	4,339	4,666	200
Noncash financing activities:			
Conversion of preference shares into ordinary shares	$ 297	$ 1,004	$ 5,594

</TABLE>

At December 31, 1998, the Company had an accrual of $2.7 million for dividends declared with respect to the 8% Preference Shares, which was paid during 1999.

Cash paid for interest in 1997 included $124.8 million of interest accreted with respect to the 1997 Notes and the 9 3/4% Notes through the dates of retirement. Proceeds from the sale of available-for-sale securities were $2 million and $19.5 million in the years ended December 31, 1997 and 1996, respectively.

19. RELATED PARTY TRANSACTIONS

Pursuant to a financial advisory agreement (the "Financial Advisory Agreement") between Triton and Hicks, Muse & Co. Partners L.P., an affiliate of Hicks Muse ("Hicks Muse Partners"), the Company paid Hicks Muse Partners transaction fees aggregating approximately $9.6 million for services as financial advisor to the Company in connection with the First Closing contemplated by the Stock Purchase Agreement. In accordance with the terms of the Financial Advisory Agreement, the Company has retained Hicks Muse Partners as its exclusive financial advisor in connection with any Sale Transaction (defined below) unless Hicks Muse Partners and the Company agree to retain an additional financial advisor in connection with any particular Sale Transaction. The Financial Advisory Agreement requires the Company to pay a fee to Hicks Muse Partners in connection with any Sale Transaction (unless the Chief Executive Officer of the Company elects not to retain a financial advisor) in an amount equal to the lesser of (i) the amount of fees then charged by first-tier investment banking firms for similar advisory services rendered in similar transactions or (ii) 1.5% of the Transaction Value (as defined in the Financial Advisory Agreement); provided that such fee will be divided equally between Hicks Muse Partners and any additional financial advisor which the Company and Hicks Muse Partners agree will be retained by the Company with respect to any such transaction. A "Sale Transaction" is defined as any merger, sale of securities representing a majority of the combined voting power of the Company, sale of assets of the Company representing more than 50% of the total market value of the assets of the Company and its subsidiaries or other similar transaction. The Company is also required to reimburse Hicks Muse Partners for reasonable disbursements and out-of-pocket expenses of Hicks Muse Partners incurred in connection with its advisory services.

Pursuant to a monitoring agreement (the "Monitoring Agreement") between Triton and Hicks Muse Partners, Hicks Muse Partners will provide financial oversight and monitoring services as requested by the Company and the Company will pay to Hicks Muse Partners an annual fee of $.5 million. In addition, the Company will reimburse Hicks Muse Partners for reasonable disbursements and out-of-pocket expenses incurred by Hicks Muse Partners or its affiliates for the account of the Company or in connection with the performance of its services. During the year ended December 31, 1998, the Company paid Hicks Muse Partners $.1 million under the terms of the Monitoring Agreement.

The Financial Advisory Agreement and the Monitoring Agreement will remain in effect until the earlier of (i) September 30, 2008, or (ii) the date on which HM4 Triton and its affiliates cease to own beneficially, directly or indirectly, at least 5% of the Company's outstanding Ordinary Shares (determined after giving effect to the conversion of all 8% Preference Shares held by HM4 Triton and its affiliates). The Company has agreed to indemnify Hicks Muse Partners with respect to liabilities incurred as a result of Hicks Muse Partners' performance of services for the Company pursuant to the Financial Advisory Agreement and the Monitoring Agreement.

20. CERTAIN FACTORS THAT COULD AFFECT FUTURE OPERATIONS

Certain information contained in this report, as well as written and oral statements made or incorporated by reference from time to time by the Company and its representatives in other reports, filings with the Securities and Exchange Commission, press releases, conferences or otherwise, may be deemed to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and are subject to the "Safe Harbor" provisions of that section. Forward-looking statements include statements concerning the Company's and management's plans, objectives, goals, strategies and future operations and performance and the assumptions underlying such forward-looking statements. Forward-looking statements may be identified, without limitation, by the use of the words "anticipates," "estimates," "expects," "believes," "intends," "plans" and similar expressions. These statements include information regarding drilling schedules; expected or planned production capacity; the closing of branch offices; future production of the Fields; the negotiation of a gas-sales contract, completion of development and commencement of production in Malaysia-Thailand; the Company's capital budget and future capital requirements; the Company's meeting its future capital needs; future general and administrative expense and the portion to be capitalized; future interest expense and the portion to be capitalized; the Company's realization of its deferred tax asset; the level of future expenditures for environmental costs; the outcome of regulatory and litigation matters; the impact of Year 2000 issues; the estimated fair value of derivative instruments, including the equity swap; and proven oil and gas reserves and discounted future net cash flows therefrom. These statements are based on current expectations and involve a number of risks and uncertainties, including those described in the context of such forward-looking statements, as well as those presented below. Actual results and developments could differ materially from those expressed in or implied by such statements due to these and other factors.

CERTAIN FACTORS RELATING TO THE OIL AND GAS INDUSTRY

The Company's strategy is to focus its exploration activities on what the Company believes are relatively high-potential prospects. No assurance can be given that these prospects contain significant oil and gas reserves or that the Company will be successful in its exploration activities thereon. The Company follows the full cost method of accounting for exploration and development of oil and gas reserves whereby all acquisition, exploration and development costs are capitalized. Costs related to acquisition, holding and initial exploration of licenses in countries with no proved reserves are initially capitalized, including internal costs directly identified with acquisition, exploration and development activities. The Company's exploration licenses are periodically assessed for impairment on a country-by-country basis. If the Company's investment in exploration licenses within a country where no proved reserves are assigned is deemed to be impaired, the licenses are written down to estimated recoverable value. If the Company abandons all exploration efforts in a country where no proved reserves are assigned, all acquisition and exploration costs associated with the country are expensed. The Company's assessments of whether its investment within a country is impaired and whether exploration activities within a country will be abandoned are made from time to time based on its review and assessment of drilling results, seismic data and other information it deems relevant. Due to the unpredictable nature of exploration drilling activities, the amount and timing of impairment expense are difficult to predict with any certainty. Financial information concerning the Company's assets at December 31, 1998, including capitalized costs by geographic area, is set forth in note 22.

The markets for oil and natural gas historically have been volatile and are likely to continue to be volatile in the future. Oil and natural-gas prices have been subject to significant fluctuations during the past several decades in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors that are beyond the control of the Company. These factors include the level of consumer product demand, weather conditions, domestic and foreign government regulations, political conditions in the Middle East and other production areas, the foreign supply of oil and natural gas, the price and availability of alternative fuels, and overall economic conditions. It is impossible to predict future oil and gas price movements with any certainty.

The Company's oil and gas business is also subject to all of the operating risks normally associated with the exploration for and production of oil and gas, including, without limitation, blowouts, cratering, pollution, earthquakes, labor disruptions and fires, each of which could result in substantial losses to the Company due to injury or loss of life and damage to or destruction of oil and gas wells, formations, production facilities or other properties. In accordance with customary industry practices, the Company maintains insurance coverage limiting financial loss resulting from certain of these operating hazards. Losses and liabilities arising from uninsured or underinsured events would reduce revenues and increase costs to the Company. There can be no assurance that any insurance will be adequate to cover losses or liabilities. The Company cannot predict the continued availability of insurance, or its availability at premium levels that justify its purchase.

The Company's oil and gas business is also subject to laws, rules and regulations in the countries where it operates, which generally pertain to production control, taxation, environmental and pricing concerns, and other matters relating to the petroleum industry. Many jurisdictions have at various times imposed limitations on the production of natural gas and oil by restricting the rate of flow for oil and natural-gas wells below their actual capacity. There can be no assurance that present or future regulation will not adversely affect the operations of the Company.

The Company is subject to extensive environmental laws and regulations. These laws regulate the discharge of oil, gas or other materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of such materials at various sites. The Company does not believe that its environmental risks are materially different from those of comparable companies in the oil and gas industry. Nevertheless, no assurance can be given that environmental laws and regulations will not, in the future, adversely affect the Company's consolidated results of operations, cash flows or financial position. Pollution and similar environmental risks generally are not fully insurable.

CERTAIN FACTORS RELATING TO INTERNATIONAL OPERATIONS

The Company derives substantially all of its consolidated revenues from international operations. Risks inherent in international operations include loss of revenue, property and equipment from such hazards as expropriation, nationalization, war, insurrection and other political risks; trade protection measures; risks of increases in taxes and governmental royalties; and renegotiation of contracts with governmental entities; as well as changes in laws and policies governing operations of other companies. Other risks inherent in international operations are the possibility of realizing economic currency-exchange losses when transactions are completed in currencies other than U.S. dollars and the Company's ability to freely repatriate its earnings under existing exchange control laws. To date, the Company's international operations have not been materially affected by these risks.

CERTAIN FACTORS RELATING TO COLOMBIA

The Company is a participant in significant oil and gas discoveries in the Fields, located approximately 160 kilometers (100 miles) northeast of Bogota, Colombia. Development of reserves in the Fields is ongoing and will require additional drilling. Pipelines connect the major producing fields in Colombia to export facilities and to refineries.

From time to time, guerrilla activity in Colombia has disrupted the operation of oil and gas projects causing increased costs. Such activity increased over the last year, causing delays in the development of the Cupiagua Field. Although the Colombian government, the Company and its partners have taken steps to maintain security and favorable relations with the local population, there can be no assurance that attempts to reduce or prevent guerrilla activity will be successful or that guerrilla activity will not disrupt operations in the future.

Colombia is among several nations whose progress in stemming the production and transit of illegal drugs is subject to annual certification by the President of the United States. The President of the United States has announced that Colombia would be certified. There can be no assurance that, in the future, Colombia will receive certification or a national interest waiver. The consequences of the failure to receive certification or a national interest waiver generally include the following: all bilateral aid, except anti-narcotics and humanitarian aid, would be suspended; the Export-Import Bank of the United States and the Overseas Private Investment Corporation would not approve financing for new projects in Colombia; U.S. representatives at multilateral lending institutions would be required to vote against all loan requests from Colombia, although such votes would not constitute vetoes; and the President of the United States and Congress would retain the right to apply future trade sanctions. Each of these consequences could result in adverse economic consequences in Colombia and could further heighten the political and economic risks associated with the Company's operations in Colombia. Any changes in the holders of significant government offices could have adverse consequences on the Company's relationship with the Colombian national oil company and the Colombian government's ability to control guerrilla activities and could exacerbate the factors relating to foreign operations discussed above.

CERTAIN FACTORS RELATING TO MALAYSIA-THAILAND

The Company is a partner in a significant gas exploration project located in the Gulf of Thailand approximately 450 kilometers northeast of Kuala Lumpur and 750 kilometers south of Bangkok as a contractor under a production-sharing contract covering Block A-18 of the Malaysia-Thailand Joint Development Area. Test results to date indicate that significant gas and oil deposits lie within the block. Development of gas production is in the planning stage, but is expected to take several years and require the drilling of additional wells and the installation of production facilities. Pipelines also will be required to be connected between Block A-18 and ultimate markets. The terms under which any gas produced from the Company's contract area in Malaysia-Thailand is sold may be affected adversely by the present monopoly, gas-purchase and transportation conditions in both Malaysia and Thailand. In connection with the sale to a subsidiary of ARCO of one-half of the shares of the Company's subsidiary that held its interest in Block A-18, ARCO agreed to pay the future exploration and development costs attributable to the Company's and ARCO's collective interest in Block A-18, up to $377 million or until first production from a gas field, after which the Company and ARCO would each pay 50% of such costs. See note 5 - Asset Dispositions.

INFLUENCE OF HICKS MUSE

In connection with the issuance of the 1,822,500 shares of 8% Preference Shares to HM4 Triton in September 1998, the Company and HM4 Triton entered into a shareholders agreement (the "Shareholders Agreement") pursuant to which, among other things, the size of the Company's Board of Directors was set at ten, and HM4 Triton exercised its right to designate four out of such ten directors. The Shareholders Agreement provides that, in general, for so long as the entire Board of Directors consists of ten members, HM4 Triton (and its designated transferees, collectively) may designate four nominees for election to the Board (with such number of designees increasing or decreasing proportionately with any change in the total number of members of the Board and with any fractional directorship rounded up to the next whole number). The right of HM4 Triton (and its designated transferees) to designate nominees for election to the Board will be reduced if the number of ordinary shares held by HM4 Triton and its affiliates (assuming conversion of 8% Preference Shares into ordinary shares) represents less than certain specified percentages of the number of ordinary shares (assuming conversion of 8% Preference Shares into ordinary shares) purchased by HM4 Triton pursuant to the Stock Purchase Agreement.

The Shareholders Agreement provides that, for so long as HM4 Triton and its affiliates continue to hold a certain minimum number of ordinary shares (assuming conversion of 8% Preference Shares into ordinary shares), the Company may not take certain actions without the consent of HM4 Triton, including (i) amending its Articles of Association or the terms of the 8% Preference Shares with respect to the voting powers, rights or preferences of the holders of 8% Preference Shares, (ii) entering into a merger or similar business combination transaction, or effecting a reorganization, recapitalization or other transaction pursuant to which a majority of the outstanding ordinary shares or any 8% Preference Shares are exchanged for securities, cash or other property, (iii) authorizing, creating or modifying the terms of any series of securities that would rank equal to or senior to the 8% Preference Shares, (iv) selling or otherwise disposing of assets comprising in excess of 50% of the market value of the Company, (v) paying dividends on ordinary shares or other shares ranking junior to the 8% Preference Shares, other than regular dividends on the Company's 5% Preference Shares, (vi) incurring or guaranteeing indebtedness (other than certain permitted indebtedness), or issuing preference shares, unless the Company's leverage ratio at the time, after giving pro forma effect to such incurrence or issuance and to the use of the proceeds, is less than 2.5 to 1, (vii) issuing additional shares of 8% Preference Shares, other than in payment of accumulated dividends on the outstanding 8% Preference Shares, (viii) issuing any shares of a class ranking equal or senior to the 8% Preference Shares, (ix) commencing a tender offer or exchange offer for all or any portion of the ordinary shares or (x) decreasing the number of shares designated as 8% Preference Shares.

As a result of HM4 Triton's ownership of 8% Preference Shares and ordinary shares and the rights conferred upon HM4 Triton and its designees pursuant to the Shareholder Agreement, HM4 Triton has significant influence over the actions of the Company and will be able to influence, and in some cases determine, the outcome of matters submitted for approval of the shareholders. The existence of HM4 Triton as a shareholder of the Company may make it more difficult for a third party to acquire, or discourage a third party from seeking to acquire, a majority of the outstanding ordinary shares. A third party would be required to negotiate any such transaction with HM4 Triton, and the interests of HM4 Triton as a shareholder may be different from the interests of the other shareholders of the Company.

COMPETITION

The Company encounters strong competition from major oil companies (including government-owned companies), independent operators and other companies for favorable oil and gas concessions, licenses, production-sharing contracts and leases, drilling rights and markets. Additionally, the governments of certain countries where the Company operates may from time to time give preferential treatment to their nationals. The oil and gas industry as a whole also competes with other industries in supplying the energy and fuel requirements of industrial, commercial and individual consumers.

MARKETS

Crude oil, natural gas, condensate, and other oil and gas products generally are sold to other oil and gas companies, government agencies and other industries. The availability of ready markets for oil and gas that might be discovered by the Company and the prices obtained for such oil and gas depend on many factors beyond the Company's control, including the extent of local production and imports of oil and gas, the proximity and capacity of pipelines and other transportation facilities, fluctuating demands for oil and gas, the marketing of competitive fuels, and the effects of governmental regulation of oil and gas production and sales. Pipeline facilities do not exist in certain areas of exploration and, therefore, any actual sales of discovered oil or gas might be delayed for extended periods until such facilities are constructed.

LITIGATION

The outcome of litigation and its impact on the Company are difficult to predict due to many uncertainties, such as jury verdicts, the application of laws to various factual situations, the actions that may or may not be taken by other parties and the availability of insurance. In addition, in certain situations, such as environmental claims, one defendant may be responsible, or potentially responsible, for the liabilities of other parties. Moreover, circumstances could arise under which the Company may elect to settle claims at amounts that exceed the Company's expected liability for such claims in order to avoid costly litigation. Judgments or settlements could, therefore, exceed any reserves.

21. COMMITMENTS AND CONTINGENCIES

For internal planning purposes, the Company's capital spending program for the year ending December 31, 1999, is approximately $117 million, excluding capitalized interest, of which approximately $83 million relates to the Fields and $34 million relates to the Company's exploration activities in other parts of the world.

During the normal course of business, the Company is subject to the terms of various operating agreements and capital commitments associated with the exploration and development of its oil and gas properties. It is management's belief that such commitments, including the capital requirements in Colombia and other parts of the world discussed above, will be met without any material adverse effect on the Company's operations or consolidated financial condition.

The Company leases office space, other facilities and equipment under various operating leases expiring through 2002. Total rental expense was $2.1 million, $2 million and $2 million for the years ended December 31, 1998, 1997 and 1996, respectively. At December 31, 1998, the minimum payments required under terms of the leases are as follows 1999 -- $1.8 million; 2000 -- $1.1 million; 2001 -- $.1 million; and 2002 -- nil.

GUARANTEES

At December 31, 1998, the Company had guaranteed loans of approximately $1.4 million for a Colombian pipeline company in which the Company has an ownership interest. The Company also guaranteed performance of $21.6 million in future exploration expenditures in various countries. These commitments are backed primarily by unsecured letters of credit.

ENVIRONMENTAL MATTERS

The Company is subject to extensive environmental laws and regulations. These laws regulate the discharge of oil, gas or other materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of such materials at various sites. The Company believes that the level of future expenditures for environmental matters, including clean-up obligations, is impracticable to determine with a precise and reliable degree of accuracy. Management believes that such costs, when finally determined, will not have a material adverse effect on the Company's operations or consolidated financial condition.

LITIGATION

In July through October 1998, eight lawsuits were filed against the Company and Thomas G. Finck and Peter Rugg, in their capacities as Chairman and Chief Executive Officer and Chief Financial Officer, respectively. Each case was filed on behalf of a putative class of persons and/or entities who purchased the Company's securities between March 30, 1998, and July 17, 1998, inclusive, and seeks recovery of compensatory damages, fees and costs. The cases allege violations of securities laws in connection with disclosures concerning the Company's properties, operations, and value relating to a prospective sale of the Company or of all or a part of its assets. Additionally, one case alleges negligent misrepresentation and seeks recovery of punitive damages. On September 21, 1998, a motion for consolidation and for appointment as lead plaintiffs and for approval of selection of lead counsel was filed with respect to the cases. With the exception of the request for consolidation, which has been agreed to, the motion is presently pending. Also, pending is the Company's motion to dismiss or transfer for improper venue.

The Company believes it has meritorious defenses to these claims and intends to vigorously defend these actions. No discovery has been taken at this time, however,and the ultimate outcome is not currently predictable. There can be no assurance that the litigation will be resolved in the Company's favor. An adverse result could have a material adverse effect on the Company's financial position or results of operations.

The Company is subject to certain other litigation matters, none of which are expected to have a material, adverse effect on the Company's operations or consolidated financial condition.

22. GEOGRAPHIC INFORMATION

In June 1997, the Financial Accounting Standards Board issued Statement No. 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information." SFAS 131 changes the way enterprises report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Company adopted SFAS 131 in 1998. Information for 1997 and 1996 has been restated from the prior year's presentation in order to conform to the 1998 presentation.

Triton's operations are primarily related to crude oil and natural-gas exploration and production. The Company's principle properties, operations and oil and gas reserves are located in Colombia and Malaysia-Thailand. The Company is exploring for oil and gas in these areas, as well as in southern Europe, Africa and the Middle East. All sales are currently derived from oil and gas production in Colombia. Financial information about the Company's operations by geographic area is presented below:

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>
	COLOMBIA	MALAYSIA-THAILAND	EXPLORATION	CORPORATE AND OTHER	TOTAL
YEAR ENDED DECEMBER 31, 1998:					
Sales and other operating revenues	$ 160,881	$ 63,237	$ 4,500	$ ---	$ 228,618
Operating income (loss)	(220,697)	62,538	(79,827)	(39,360)	(277,346)
Depreciation, depletion and amortization	53,641	49	176	4,945	58,811
Writedown of assets	251,312	---	76,664	654	328,630
Capital expenditures	106,624	25,158	47,516	756	180,054
Assets	468,533	86,928	88,852	111,820	756,133
YEAR ENDED DECEMBER 31, 1997:					
Sales and other operating revenues	$ 145,419	$ ---	$ 4,077	$ ---	$ 149,496
Operating income (loss)	59,719	(536)	(6,312)	(20,167)	32,704
Depreciation, depletion and amortization	31,186	60	505	5,077	36,828
Capital expenditures	129,589	37,328	47,842	4,457	219,216
Assets	712,512	148,780	110,561	126,186	1,098,039
YEAR ENDED DECEMBER 31, 1996:					
Sales and other operating revenues	$ 127,071	$ ---	$ 6,906	$ ---	$ 133,977
Operating income (loss)	70,874	(509)	(44,098)	(23,489)	2,778
Depreciation, depletion and amortization	19,061	38	807	5,734	25,640
Writedown of assets	---	---	42,960	---	42,960
Capital expenditures	160,131	53,679	29,036	9,838	252,684
Assets	629,978	113,364	57,849	113,333	914,524

</TABLE>

During 1998, the Company sold one-half of the shares of the subsidiary through which the Company owned its 50% share of Block A-18 resulting in a gain of $63.2 million which is included in Malaysia-Thailand sales and other operating revenues and operating profit (loss). See note 5 --Asset Dispositions.

Colombia operating profit (loss) for the year ended December 31, 1998, included an SEC full cost ceiling limitation writedown of $241 million. Additionally, Exploration operating profit (loss) included writedowns of oil and gas properties and other assets in Guatemala ($27.2 million) and China ($22.5 million) for the year ended December 31, 1998. Exploration operating profit (loss) for the year ended December 31, 1996, included a writedown of $43 million for the Company's oil and gas properties and other assets in Argentina. See note 3 - Writedown of Assets.

At December 31, 1998, corporate assets were principally cash and cash equivalents, the U.S. deferred tax asset and other fixed assets. Exploration assets included $43.9 million, $14.9 million, $10.8 million and $10.2 million of capitalized costs in Italy, Greece, Equatorial Guinea and Oman, respectively.

23. SUBSEQUENT EVENT

On January 4, 1999, the Company issued 3,177,500 8% Preference Shares for $70 per share, or total proceeds of $222.4 million (before closing expenses of $4.3 million). See note 2, Pro Forma Balance Sheet - 8% Preference Shares Issuance.

24. QUARTERLY FINANCIAL DATA (UNAUDITED)

	QUARTER			
	FIRST	SECOND	THIRD	FOURTH
YEAR ENDED DECEMBER 31, 1998:				
Sales and other operating revenues	$36,175	$ 36,378	$105,862	$ 50,203
Gross profit (loss)	8,409	(180,179)	73,751	(134,350)
Net earnings (loss)	42,912	(150,062)	47,208	(127,562)
Basic earnings (loss) per ordinary share	1.17	(4.10)	1.28	(3.55)
Diluted earnings (loss) per ordinary share	1.16	(4.10)	1.28	(3.55)
YEAR ENDED DECEMBER 31, 1997:				
Sales and other operating revenues	$33,759	$ 32,569	$ 36,993	$ 46,175
Gross profit	15,095	13,645	14,583	17,988
Net earnings (loss) before extraordinary item	3,486	(308)	6,201	(3,784)
Net earnings (loss)	3,486	(14,799)	6,201	(3,784)
Basic earnings (loss) per ordinary share:				
Before extraordinary item	0.09	(0.01)	0.16	(0.10)
Net earnings (loss)	0.09	(0.41)	0.16	(0.10)
Diluted earnings (loss) per ordinary share:				
Before extraordinary item	0.09	(0.01)	0.16	(0.10)
Net earnings (loss)	0.09	(0.41)	0.16	(0.10)

Gross profit (loss) is comprised of sales and other operating revenues less operating expenses, depreciation, depletion and amortization, and writedowns pertaining to operating assets.

In the fourth quarter of 1998, the Company recorded a writedown of $115.9 million, net of tax, related to the application of the full cost ceiling limitation as prescribed by the SEC. See note 3 - Writedown of Assets.

25. OIL AND GAS DATA (UNAUDITED)

The following tables provide additional information about the Company's oil and gas exploration and production activities.

RESULTS OF OPERATIONS

The results of operations for oil- and gas-producing activities, considering direct costs only, follow:

	COLOMBIA	MALAYSIA-THAILAND	OTHER	TOTAL WORLDWIDE
YEAR ENDED DECEMBER 31, 1998:				
Revenues	$ 160,881	$ 63,237	$ 4,500	$ 228,618
Costs:				
Production costs	73,546	---	---	73,546
General operating expenses	2,460	---	---	2,460
Depletion	53,304	---	---	53,304
Writedown of assets	251,312	---	76,664	327,976
Income tax benefit	(76,048)	---	(22,527)	(98,575)
Results of operations	$(143,693)	$ 63,237	$(49,637)	$ (130,093)
YEAR ENDED DECEMBER 31, 1997:				
Revenues	$ 145,419	$ ---	$ 4,077	$ 149,496
Costs:				

Production costs	51,357	---	---	51,357
General operating expenses	2,886	---	---	2,886
Depletion	30,729	---	---	30,729
Income tax expense	22,167	---	1,223	23,390
Results of operations	$ 38,280	$ ---	$ 2,854	$ 41,134
YEAR ENDED DECEMBER 31, 1996:				
Revenues	$ 127,071	$ ---	$ 6,906	$ 133,977
Costs:				
Production costs	34,822	---	1,832	36,654
General operating expenses	1,909	---	1,327	3,236
Depletion	18,515	---	603	19,118
Writedown of assets	---	---	42,960	42,960
Income tax expense (benefit)	25,766	---	(12,888)	12,878
Results of operations	$ 46,059	$ ---	$(26,928)	$ 19,131

</TABLE>

Malaysia-Thailand revenues for the year ended December 31, 1998, included a gain of $63.2 million from the sale of one-half of the shares of the subsidiary through which the Company owned its 50% share of Block A-18. Other revenues for the years ended December 31, 1998, 1997, and 1996, included gains of $4.5 million, $4.1 million, and $4.1 million from the sale of the Company's Bangladesh subsidiary, Argentine subsidiary, and royalty interests in U.S. properties, respectively.

Depletion includes depreciation on support equipment and facilities calculated on the unit-of-production method.

COSTS INCURRED AND CAPITALIZED COSTS

The costs incurred in oil and gas acquisition, exploration and development activities and related capitalized costs follow:

<TABLE>
<CAPTION>

<S>	<C> COLOMBIA	<C> MALAYSIA-THAILAND	<C> OTHER	<C> TOTAL WORLDWIDE
DECEMBER 31, 1998:				
Costs incurred:				
Property acquisition	$ ---	$ ---	$ 500	$ 500
Exploration	2,886	21,215	48,756	72,857
Development	83,088	1,026	---	84,114
Depletion per equivalent barrel of production	4.07	---	---	4.07
Cost of properties at year-end:				
Unevaluated	$ ---	$ 20,392	$ 70,526	$ 90,918
Evaluated	$467,147	$ 65,102	$ 76,367	$608,616
Support equipment and facilities	$289,659	$ ---	$ ---	$289,659
Accumulated depletion and depreciation at year-end	$360,324	$ ---	$ 76,367	$436,691

DECEMBER 31, 1997:				
Costs incurred:				
Property acquisition	$ ---	$ ---	$ 3,128	$ 3,128
Exploration	7,583	36,373	47,864	91,820
Development	62,251	187	---	62,438
Depletion per equivalent barrel of production	3.67	---	---	3.67
Cost of properties at year-end:				
Unevaluated	$ 2,172	$ 30,327	$ 98,127	$130,626
Evaluated	$396,774	$114,243	$ 7,563	$518,580
Support equipment and facilities	$250,193	$ ---	$ ---	$250,193
Accumulated depletion and depreciation at year-end	$ 66,250	$ ---	$ 7,563	$ 73,813
DECEMBER 31, 1996:				
Costs incurred:				
Property acquisition	$ ---	$ ---	$ 600	$ 600
Exploration	18,875	60,955	33,103	112,933
Development	39,902	470	---	40,372
Depletion per equivalent barrel of production	2.83	---	3.11	2.84
Cost of properties at year-end:				
Unevaluated	$ 2,487	$ 30,500	$ 50,010	$ 82,997
Evaluated	$338,955	$ 77,512	$ 48,630	$465,097
Support equipment and facilities	$194,116	$ ---	$ ---	$194,116
Accumulated depletion and depreciation at year-end	$ 35,723	$ ---	$ 48,630	$ 84,353

</TABLE>

A summary of costs excluded from depletion at December 31, 1998, by year incurred follows:

<TABLE>
<CAPTION>

<S> <C> <C> <C> <C> <C>

		DECEMBER 31,			
	TOTAL	1998	1997	1996	1995 AND PRIOR
Property acquisition	$ 2,800	$ 500	$ 1,700	$ 600	$ ---
Exploration	127,290	45,244	40,398	37,098	4,550
Capitalized interest	25,930	14,051	11,758	106	15
Total worldwide	$156,020	$59,795	$53,856	$37,804	$ 4,565

</TABLE>

The Company excludes from its depletion computation property acquisition and exploration costs of unevaluated properties and major development projects in progress. The excluded costs include $85.5 million ($65.1 million and $20.4 million classified as evaluated and unevaluated, respectively) for Block A-18 in the Malaysia-Thailand Joint Development Area that will become depletable once production begins, which is estimated to occur between 30-36 months after signing of a gas-sales contract. Additionally, excluded costs include exploration costs of $29.5 million, $12.2 million, $10.8 million, $10 million and $8.1 million in Italy, Greece, Equatorial Guinea, Oman and Madagascar, respectively. At this time, the Company is unable to predict either the timing of the inclusion of these costs and the related oil and gas reserves in its depletion computation or their potential future impact on depletion rates. Drilling or other exploration activities are being conducted in each of these cost centers.

OIL AND GAS RESERVE DATA (OIL RESERVES ARE STATED IN THOUSANDS OF BARRELS AND GAS RESERVES ARE STATED IN MILLIONS OF CUBIC FEET.)

The following tables present the Company's estimates of its proved oil and gas reserves. The estimates for the proved reserves in the Fields in Colombia were prepared by the Company's independent petroleum engineers, DeGolyer and MacNaughton. The estimates for the proved reserves in Malaysia-Thailand and the Liebre Field in Colombia were prepared by the Company's internal petroleum reservoir engineers. The Company emphasizes that reserve estimates are approximate and are expected to change as additional information becomes available. Reservoir engineering is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact way, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. Accordingly, there can be no assurance that the reserves set forth herein will ultimately be produced, and there can be no assurance that the proved undeveloped reserves will be developed within the periods anticipated. As of December 31, 1998, the Company did not have a contract for the sale of gas to be produced from its interest in the Malaysia-Thailand Joint Development Area. In estimating its reserves attributable to such interest, the Company assumed that production from the interest would be sold at the initial base price for natural gas specified in the Heads of Agreement entered into in April 1998. There can be no assurance that the price to be provided in any gas contract will be equal to the price used in the Company's calculations.

<TABLE>
<CAPTION>

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	COLOMBIA		MALAYSIA-THAILAND		OTHER		TOTAL WORLDWIDE	
	OIL	GAS	OIL	GAS	OIL	GAS	OIL	GAS
PROVED DEVELOPED AND UNDEVELOPED RESERVES:								
AS OF DECEMBER 31, 1995	121,426	15,690	---	---	764	6,957	122,190	22,647
Revisions	270	(403)	---	---	---	---	270	(403)
Sales	(548)	(338)	---	---	(649)	(6,482)	(1,197)	(6,820)
Extensions and discoveries	19,900	---	24,700	871,100	---	---	44,600	871,100
Production	(5,738)	(298)	---	---	(115)	(475)	(5,853)	(773)
AS OF DECEMBER 31, 1996	135,310	14,651	24,700	871,100	---	---	160,010	885,751
Revisions	14,157	770	(2,000)	(7,600)	---	---	12,157	(6,830)
Sales	---	---	---	---	---	---	---	---
Extensions and discoveries	2,308	---	7,100	360,300	---	---	9,408	360,300
Production	(5,776)	(802)	---	---	---	---	(5,776)	(802)
AS OF DECEMBER 31, 1997	145,999	14,619	29,800	1,223,800	---	---	175,799	1,238,419
Revisions	(693)	(1,832)	(6,583)	(41,588)	---	---	(7,276)	(43,420)
Sales	---	---	(15,200)	(625,400)	---	---	(15,200)	(625,400)
Extensions and discoveries	---	---	---	13,500	---	---	---	13,500
Production	(9,979)	(503)	---	---	---	---	(9,979)	(503)
AS OF DECEMBER 31, 1998	135,327	12,284	8,017	570,312	---	---	143,344	582,596

</TABLE>

<TABLE>
<CAPTION>

	COLOMBIA		MALAYSIA-THAILAND		TOTAL WORLDWIDE	
	OIL	GAS	OIL	GAS	OIL	GAS
PROVED DEVELOPED RESERVES AT:						
DECEMBER 31, 1996	67,193	11,146	---	---	67,193	11,146
DECEMBER 31, 1997	81,931	14,619	---	---	81,931	14,619
DECEMBER 31, 1998	86,039	12,284	---	---	86,039	12,284

</TABLE>

STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH INFLOWS AND CHANGES THEREIN

The following table presents for the net quantities of proved oil and gas reserves a standardized measure of discounted future net cash inflows discounted at an annual rate of 10%. The future net cash inflows were calculated in accordance with Securities and Exchange Commission guidelines. Future cash inflows were computed by applying year-end prices of oil and gas relating to the Company's proved reserves to the estimated year-end quantities of those reserves. Future price changes were considered only to the extent provided by contractual agreements in existence at year-end.

Future production and development costs were computed by estimating those expenditures expected to occur in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs. The Company emphasizes that the future net cash inflows should not be construed as representative of the fair market value of the Company's proved reserves. The meaningfulness of the estimates is highly dependent upon the accuracy of the assumptions upon which they were based. Actual future cash inflows may vary materially.

In connection with the sale to ARCO of one-half of the shares of the subsidiary through which the Company owned its 50% share of Block A-18, ARCO agreed to pay the Company an additional $65 million each at July 1, 2002, and July 1, 2005, if certain specific development objective are met by such dates, or $40 million each if the objectives are met within one year thereafter. Future cash inflows for Malaysia-Thailand at December 31, 1998, include incentive payments of $65 million each in July 2002 and July 2005. As of December 31, 1998, the Company did not have a contract for the sale of gas to be produced from its interest in the Malaysia-Thailand Joint Development Area. In estimating discounted future net cash inflows attributable to such interest, the Company assumed that production from the interest would be sold at the initial base price for natural gas specified in the Heads of Agreement entered into in April 1998.

<TABLE>
<CAPTION>

	COLOMBIA	MALAYSIA-THAILAND	TOTAL WORLDWIDE
DECEMBER 31, 1998:			
Future cash inflows	$1,481,065	$1,555,929	$3,036,994
Future production and development costs	734,025	695,575	1,429,600

Future net cash inflows before income taxes	$ 747,040	$ 860,354	$1,607,394
Future net cash inflows before income taxes discounted at 10% per annum	$ 415,127	$ 253,535	$ 668,662
Future income taxes discounted at 10% per annum	3,909	8,917	12,826
Standardized measure of discounted future net cash inflows	$ 411,218	$ 244,618	$ 655,836
DECEMBER 31, 1997:			
Future cash inflows	$2,524,291	$4,078,609	$6,602,900
Future production and development costs	1,142,382	1,883,881	3,026,263
Future net cash inflows before income taxes	$1,381,909	$2,194,728	$3,576,637
Future net cash inflows before income taxes discounted at 10% per annum	$ 852,421	$ 427,463	$1,279,884
Future income taxes discounted at 10% per annum	173,785	36,756	210,541
Standardized measure of discounted future net cash inflows	$ 678,636	$ 390,707	$1,069,343

</TABLE>

<TABLE>
<CAPTION>
<S> <C> <C> <C>

	COLOMBIA	MALAYSIA-THAILAND	TOTAL WORLDWIDE
DECEMBER 31, 1996:			
Future cash inflows	$3,519,893	$2,530,702	$6,050,595
Future production and development costs	1,283,851	1,188,981	2,472,832
Future net cash inflows before income taxes	$2,236,042	$1,341,721	$3,577,763
Future net cash inflows before income taxes discounted at 10% per annum	$1,283,158	$ 320,900	$1,604,058
Future income taxes discounted at 10% per annum	290,763	21,100	311,863
Standardized measure of discounted future net cash inflows	$ 992,395	$ 299,800	$1,292,195

</TABLE>

Changes in the standardized measure of discounted future net cash inflows follow:

<TABLE>
<CAPTION>

<S> <C> <C> <C>

	DECEMBER 31, 1998	1997	1996
Total worldwide:			
Beginning of year	$1,069,343	$1,292,195	$ 641,696
Sales, net of production costs	(87,335)	(94,062)	(97,323)
Sales of reserves	(70,543)	---	(10,473)
Revisions of quantity estimates	(29,321)	75,253	2,617
Net change in prices and production costs	(579,212)	(552,863)	228,349
Extensions, discoveries and improved recovery	6,516	42,918	1,125,733
Change in future development costs	(46,633)	(5,936)	(652,902)
Development and facilities costs incurred	105,808	53,199	92,856
Accretion of discount	120,270	160,406	80,672
Changes in production rates and other	(30,772)	(3,089)	19,088
Net change in income taxes	197,715	101,322	(138,118)
End of year	$ 655,836	$1,069,343	$1,292,195

</TABLE>

SCHEDULE II

TRITON ENERGY LIMITED AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
(IN THOUSANDS)

<TABLE>
<CAPTION>

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CLASSIFICATIONS	BALANCE AT BEGINNING OF YEAR	ADDITIONS: CHARGED TO EARNINGS	ADDITIONS: CHARGED TO OTHER ACCOUNTS	DEDUCTIONS	BALANCE AT CLOSE OF YEAR
Year ended Dec. 31, 1996:					
Allowance for doubtful receivables	$ 810	$ 35	$ ---	$ (769)	$ 76
Allowance for deferred tax asset	$ 54,046	$ (23,389)	$ ---	$ ---	$ 30,657
Year ended Dec. 31, 1997:					
Allowance for doubtful receivables	$ 76	$ ---	$ ---	$ (35)	$ 41
Allowance for deferred tax asset	$ 30,657	$ 44,435	$ ---	$ ---	$ 75,092
Year ended Dec. 31, 1998:					
Allowance for doubtful receivables	$ 41	$ ---	$ ---	$ (41)	$ ---
Allowance for deferred tax asset	$ 75,092	$ 18,519	$ ---	$ ---	$ 93,611

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Note -- Deductions for the allowance for doubtful receivables in the year ended December 31, 1996, related primarily to disposal of other assets.

EXHIBIT 10.21

ROBERT B. HOLLAND, III
Chief Operating Officer and
General Counsel

December 17, 1998

Mr. James C. Musselman
Triton Exploration Services
6688 N. Central Expressway, Suite 1400
Dallas, Texas 75206

Dear Jim:

This letter is intended to reflect the understanding that you and Jack Furst, acting on behalf of the Board, and I have reached regarding my compensation.

I will receive 112,500 new options (50% of the options I now hold priced at $30 and above) priced at $14.50 as part of the grants approved by the Board on December 2, 1998.

I will be paid the severance and SERP payments contemplated by Section 2.3-1 and 2.3-2 of my employment agreement (totaling $3,232,621) prior to expiration of the rights offering, and the Company will thereafter have no further obligation to me under Sections 2.3-1 or 2.3-2 of my employment agreement (i.e., the severance and SERP sections) or under the SERP.

Thereafter I will remain employed in my current capacities, but I will no longer receive a base salary. I will, however, be entitled to exercise any Options held by me at the time my employment terminates for a period of five years after the time of termination if the time of termination is on or after June 30, 1999 (or earlier if a Change of Control unrelated to the Hicks Muse investment shall occur, or if I am terminated without Cause or if I terminate my employment for Good Reason). Otherwise, any such Options shall be exercisable for one year after the Date of Termination of my employment as provided by my employment agreement.

Except as modified by this letter, my employment, indemnity and option agreements shall remain in effect in accordance with their terms (the defined terms used in this letter having the same meaning as under my employment agreement).

If you are in agreement with the foregoing, please so indicate by executing and returning the enclosed copy of this letter.

Very truly yours,

Robert B. Holland, III

ACCEPTED and AGREED as of
the date first written above.

TRITON EXPLORATION SERVICES, INC. TRITON ENERGY LIMITED as guarantor

By:__________________________________ By:
____

EXHIBIT 10.22

December 10, 1998

Mr. Peter Rugg
4 Glenheather Court
Dallas, Texas 75225

Dear Peter:

After consultation with tax advisors and appropriate Board members, Triton is willing to commit to the following if accepted by you by December 15, 1998:

1. If your employment is terminated any time, for any reason other than by Triton Exploration Services, Inc. (the "Company") for Cause (as defined in your employment agreement), the Company will pay you $1 million as severance, and a lump sum (determined by Milliman & Robertson) equal to the net present value of your SERP benefits that are vested by years of service in satisfaction of its obligations to you under the SERP.

2. In addition to any amounts payable under paragraph 1, if (x) your employment is terminated any time, for any reason other than by the Company for Cause (as defined in your employment agreement) and (y) you agree to enter into a consulting agreement providing for services to be rendered by you for a period of six months (but which will not require you to commit more than 25% of your business time during such term unless you otherwise agree) and an agreement not to compete for a term that is mutually agreeable to you and the Company (but not less than six months or more than one year unless we otherwise agree) in forms reasonably acceptable to each of us, the Company will pay you your current base salary through the date of termination of your employment and will pay you a lump sum of an amount that when added to the paragraph 1 amounts will equal $2 million. As additional compensation for your consulting services and agreement not to compete, all options held by you at the time of termination of your employment will be exercisable for three years after termination of your employment.

3. Upon termination, you and the Company will enter into a severance agreement with full mutual releases in the form used in the Company's July 1997 reduction in force and pursuant to which the Company will agree to pay directly any COBRA payments to provide you and your dependents medical and dental health

insurance for a period of two years or until you are no longer eligible for COBRA.

You and the Company acknowledge our mutual belief that the excise tax (the "Excise Tax"), imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, will not apply to the payments contemplated by paragraphs 1 and 2 of this letter agreement (the "Payments"). In the event that the Internal Revenue Service asserts that an Excise Tax is due in respect of the Payments, however, you will promptly notify the Company of such claim. Upon receipt of such notice, the Company will have the right to require that you either pay the claim, in which case (if you did not theretofore file a personal income tax return reflecting the application of the Excise Tax) the Company will pay the amount of the Excise Tax payable in respect of the Payments, or contest the claim, in which case the Company will pay directly all costs and expenses (including, but not limited to, additional interest and penalties and related legal, consulting or other similar fees) incurred in connection with such contest, and if such contest is unsuccessful, the Company will pay any Excise Tax or other tax (including interest and penalties with respect thereto) imposed in respect of the Payments as a result of such contest. The Company will have the right to control all proceedings taken in connection with such contest and you agree to take such action in connection with contesting such claim as the Company shall reasonably request, including, without limitation, accepting legal representation by an attorney selected by the Company (who shall be reasonably satisfactory to you).

If the foregoing is acceptable to you, please so indicate by signing the enclosed copy, whereupon this letter agreement will become binding and will supersede your employment agreement.

Very truly yours,

TRITON EXPLORATION SERVICES INC.

By: ____________________________________
Its: ____________________________________

TRITON ENERGY LIMITED, as guarantor

By: ____________________________________
Its: ____________________________________

____
PETER RUGG

EXHIBIT 10.23

TRITON EXPLORATION SERVICES, INC.
6688 North Central Expressway, Suite 1400
Dallas, Texas 75206

July 15, 1998

Re: Bonus Agreement

Dear :

In recognition of your efforts over the past few months, Triton Exploration Services, Inc. (the Company) has awarded to you a bonus, subject to certain conditions, of $200,000. The full amount of the bonus will be paid to you as soon as practicable, but if you voluntarily terminate your employment, or if you are terminated for cause, in the next year, all or a portion of the bonus must be repaid, depending on the date of termination. Essentially, the bonus will "vest" in 25% increments over the next year. As a result, if you leave, or if you are terminated for cause, in the periods set forth below, you agree to repay the portion of the bonus set forth below:

if termination occurs	agreed repayment
prior to October 15, 1998	100%
on or after October 15, 1998 and prior to January 15, 1999	75%
on or after January 15, 1999 and prior to April 15, 1999	50%
on or after April 15, 1999 and prior to July 15, 1999	25%
on or after July 15, 1999	0%

For tax purposes, each vesting is essentially a forgiveness of debt, which is taxable compensation to you in the tax year the vesting occurs. In addition, interest will be deemed to accrue for tax purposes, and a deemed interest amount will also be added to your compensation and subjected to federal and payroll tax withholding. The Company will calculate federal income tax withholding and applicable payroll taxes (FICA plus social security) and will issue an employee receivable to you for that amount, which you will be obligated to pay to the Company.

No repayment will be required if a change of control (as defined in the Amended and Restated Employment Agreement among Triton Energy Limited, the Company and you dated as of July 15, 1998, as amended (the "Employment Agreement")) occurs prior to termination of employment, if the Company terminates your employment without cause, or if your employment is terminated as a result of your death or disability. In addition, no repayment will be required if you become entitled to terminate your employment with "Justification" as defined in the Employment Agreement. This bonus is in recognition of your efforts over the last few months and also is designed to provide you additional incentive to lend your efforts to making the Company a success, but is not intended to alter in any way the employment policies of the Company. Thus, you will continue to be considered for discretionary bonuses as are other employees of the Company. Of course, this bonus is not a guarantee of employment, and either you or the Company will remain free to terminate your employment relationship as you or the Company sees fit. Your agreement to repay the bonus as set forth above will be evidenced by your signature below and your execution and delivery of a promissory note evidencing your obligation.

Thank you again for your fine efforts.

Very truly yours,

on behalf of Triton
Exploration Services, Inc.

I agree to repay the bonus in the amounts set forth above, if applicable, and to deliver a promissory note to evidence this obligation.

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EXHIBIT 10.48

TRITON ENERGY LIMITED
AMENDED AND RESTATED 1997 SHARE COMPENSATION PLAN

Triton Energy Limited (the "Company") hereby establishes its Amended and Restated 1997 Share Compensation Plan. Capitalized terms used herein are defined in Article I. This Plan amends and restates the 1997 Share Compensation Plan, initially adopted by the Company in 1997, as amended and restated by the Company in December 1998.

The purpose of the Plan is to help the Company and its Subsidiaries attract and retain Directors, Employees and Advisors and to provide such persons with a proprietary interest in the Company, which will (a) increase the interest of the Directors, Employees and Advisors in the Company's welfare; (b) furnish an incentive to the Directors, Employees and Advisors to continue their services for the Company or its Subsidiaries; and (c) provide a means through which the Company or its Subsidiaries may attract able persons to enter its employ or serve as Directors, Employees or Advisors.

ARTICLE I
Definitions

For the purpose of this Plan, unless the context requires otherwise, the following terms shall have the meanings indicated:

"Advisor" means any person performing services for the Company or any Subsidiary of the Company, with or without compensation, to whom the Company chooses to grant Stock Options or to whom the Company chooses to issue Elected Shares or Restricted Shares in accordance with the Plan, provided that *bona fide* services must be rendered by such person and such services shall not be rendered in connection with the offer or sale of securities in a capital-raising transaction.

"Board" means the Board of Directors of the Company as constituted from time to time.

"Cause" means an act or acts involving a felony, fraud, willful misconduct, the commission of any act that causes or reasonably may be expected to cause substantial injury to the Company, or other good cause. The term "other good cause" shall include, but shall not be limited to, habitual impertinence, a pattern of conduct that tends to hold the Company up to ridicule in the community, conduct disloyal to the Company, conviction of any crime of moral turpitude, and substantial dependence, as judged by the Committee, on alcohol or any controlled substance. To the extent that a Participant is a party to a written employment agreement with the Company or any Subsidiary that contains a provision setting forth consequences for termination for cause and a definition of cause, such definition shall control with respect to benefits granted hereunder.

"Change in Control" means the occurrence of any of the following events: (i) there shall be consummated (x) any consolidation, amalgamation or merger of the Company in which (I) the Company is not the continuing or surviving corporation or (II) where the Company is the continuing or surviving corporation, the Company's Ordinary Shares outstanding immediately prior to the merger would be converted into cash, securities or other property, or the holders of the Company's Ordinary Shares immediately prior to the merger would represent less than a majority of the common stock or ordinary shares of the surviving corporation immediately after the merger, or (y) any sale, lease, exchange or other transfer (excluding transfer by way of pledge or hypothecation), in one transaction or a series of related transactions, of all, or substantially all, of the assets of the Company, (ii) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company, (iii) any "person" (as such term is defined in Section 3(a)(9) or Section 13(d)(3) under the 1934 Act) or any "group" (as such term is used in Rule 13d-5 promulgated under the 1934 Act), other than the Company or any successor of the Company or any Subsidiary or any employee benefit plan of the Company or any Subsidiary (including such plan's trustee), becomes, without the prior approval of the Board, a beneficial owner for purposes of Rule 13d-3 promulgated under the 1934 Act, directly or indirectly, of securities of the Company representing 25.0% or more of the Company's then outstanding securities having the right to vote in the election of Directors of the Company, or (iv) during any period of two consecutive years, individuals who, at the beginning of such period constituted the entire Board, cease for any reason (other than death) to constitute a majority of the Directors of the Company, unless the election, or the nomination for election, by the Company's shareholders, of each new Director of the Company was approved by a vote of at least two-thirds of the Directors of the Company then still in office who were Directors of the Company at the beginning of the period.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the committee or committees appointed or designated by the Board or another Committee in accordance with Section 2.1 of the Plan.

"Date of Grant" means the effective date on which a Stock Option is awarded to a Director, Employee, or Advisor as set forth in the Stock Option Agreement.

"Director" means a member of the Board.

"Disability" means an event whereby a Participant is rendered unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment in accordance with policies as may be determined from time to time by the Committee.

"Elected Share Agreement" means an agreement between the Company and a Participant with respect to the issuance of Elected Shares.

"Elected Shares" means Ordinary Shares issued to a Participant under Article IV.

"Employee" means an employee of the Company or of any Subsidiary.

"Fair Market Value" of an Ordinary Share means (i) the closing price per share on the principal stock exchange on which the Ordinary Shares are traded, or (ii) if not listed for trading on a stock exchange, the mean between the closing or average (as the case may be) bid and asked prices per Ordinary Share on the over-the-counter market, whichever is applicable.

"Incentive Stock Option" means an option to purchase Ordinary Shares granted to a Participant and which is intended to be treated as an "incentive stock option" under Section 422 of the Code.

"1934 Act" means the Securities Exchange Act of 1934, as amended.

"Non-Employee Director" means a Director of the Company who is not an Employee.

"Nonqualified Stock Option" means any Stock Option that does not qualify as an Incentive Stock Option.

"Ordinary Shares" means the Ordinary Shares, par value $.01 per share, of the Company or in the event that the outstanding Ordinary Shares are hereafter changed into or exchanged for shares or other securities of the Company or another issuer, such other shares or securities.

"Participant" means any Employee, Director or Advisor who is, or who is proposed to be, a recipient of a Stock Option, Elected Shares or Restricted Shares.

"Plan" means this Triton Energy Limited 1997 Share Compensation Plan, as amended from time to time.

"Restricted Shares" means Ordinary Shares issued to a Participant pursuant to Article VII.

"Retirement" of a Participant shall be deemed to be retirement in accordance with policies as may be determined from time to time by the Committee.

"Restricted Share Agreement" means an agreement between the Company and a Participant with respect to the issuance of Restricted Shares.

"Rule 16b-3" means Rule 16b-3 promulgated under the 1934 Act, as amended from time to time, or any successor provision.

"Section 162(m)" means Section 162(m) of the Code and the regulations promulgated thereunder from time to time.

"Section 162(m) Exception" means the exception under Section 162(m) for "qualified performance-based compensation."

"Stock Options" means any and all Incentive Stock Options and Nonqualified Stock Options granted pursuant to Article V of the Plan.

"Stock Option Agreement" means an agreement between the Company and a Participant with respect to one or more Stock Options.

"Subsidiary" means any corporation in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in the chain, and "Subsidiaries" means more than one of any such corporations.

ARTICLE II
Administration; Eligibility

2.1 Administration. The Plan shall be administered by a committee or committees of Directors appointed by the Board, each of which may delegate all or any of a portion of its powers with respect to the Plan to a committee of Directors, whether or not then serving on the appointing committee; provided that, with respect to any Stock Option that is intended to satisfy the requirements of the Section 162(m) Exception, such committee shall consist of at least such number of Directors as are required from time to time to satisfy the Section 162(m) Exception, and each such committee member shall qualify as an "outside director" within the meaning of Section 162(m). Any member of any such committee may be removed at any time, with or without cause, by resolution of the Board. Any vacancy occurring in the membership of the committee may be filled by appointment by the Board.

The Committee shall select one of its members (if more than one) to act as its Chairman, and shall make such rules and regulations for its operation as it deems appropriate. A majority of the Committee shall constitute a quorum and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee. Subject to the terms hereof, the Committee shall have complete discretion and authority to (i) designate from time to time the persons to whom Stock Options will be granted and Elected Shares and Restricted Shares will be issued, (ii) interpret the Plan, (iii) prescribe, amend, and rescind any rules and regulations necessary or appropriate for the administration of the Plan, to determine the terms, details and provisions of each Stock Option Agreement, Elected Share Agreement and Restricted Share Agreement, (iv) modify or amend any Stock Option Agreement, Elected Share Agreement and Restricted Share Agreement or modify, amend or waive any terms, conditions or restrictions applicable to any Stock Option, Elected Shares or Restricted Shares, and (v) make such other determinations and, subject to the terms of the Plan, take such other action as it deems necessary or advisable. In this regard, the Committee shall consider and give appropriate weight to input from representatives of management of the Company regarding the contributions or potential contributions to the Company of certain of the Participants or potential Participants. Except as provided below, any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties, including the Company and all Participants.

2.2 Eligibility. Any Director, Employee and Advisor whose judgment, initiative, and efforts contributed or may be expected to contribute to the successful performance of the Company is eligible to participate in the Plan; provided that only Employees shall be eligible to receive Incentive Stock Options. The Committee's determinations under the Plan (including without limitation determinations of which persons, if any, are to receive Stock Options, Elected Shares and Restricted Shares, the form, amount and timing of such Stock Options, Elected Shares and Restricted Shares, the terms and provisions of such Stock Options, Elected Shares and Restricted Shares and any agreements evidencing same) need not be uniform and may be made by it selectively among Employees, Directors and/or Advisors who receive, or are eligible to receive, Stock Options, Elected Shares and Restricted Shares under the Plan.

ARTICLE III
Shares Subject to Plan

The Committee may not grant Stock Options or issue Elected Shares or Restricted Shares under the Plan for more than 2,600,000 Ordinary Shares, in the aggregate (as may be adjusted in accordance with Article XI or XII hereof), and no Participant shall be eligible to receive more than 50% of such shares. Shares to be distributed and sold may be made available from either authorized but unissued Ordinary Shares or Ordinary Shares held by the Company in its treasury. Shares that by reason of the expiration or unexercised termination of a Stock Option or forfeited Elected Shares or Restricted Shares are no longer subject to issuance to the Participant may be reofferred under the Plan.

ARTICLE IV
Elected Shares

4.1 Eligibility. The Committee shall have complete discretion to select the particular Directors, Employees and Advisors to whom Elected Shares may be issued, if any; provided that Non-Employee Directors are automatically eligible to elect to receive Elected Shares as provided under this Article IV.

4.2 Election to Receive Elected Shares. Each Participant eligible to receive Elected Shares may make an irrevocable election (an "Election") either (a) to receive a grant of Ordinary Shares in a number determined by the Committee from time to time in an amount or amounts determined by the Committee (whether in a fixed amount or by formula) or (b) not to participate in this Article IV. With respect to the participation by Non-Employee Directors, each such Director is automatically eligible to elect to receive a grant of 1,000 Elected Shares in conjunction with an election to receive a grant of Stock Options to purchase 10,000 Ordinary Shares pursuant to Section 5.7 of the Plan, except as provided in Section 5.7 of the Plan.

4.3 Written Election. Unless the Committee otherwise provides, any Participant eligible for Elected Shares and electing to participate shall make his or her election in writing delivered to the Secretary of the Company (which written election may be in the form of an Elected Share Agreement) no later than January 31 of the year with respect to which such Participant's compensation will be applied toward the issuance of Elected Shares; provided that with respect to Non-Employee Directors electing to participate for the 1997 year, such election shall be made no later than May 15, 1997; and provided further, that with respect to Non-Employee Directors elected to the Board for the first time, such election shall be made no later than ten (10) days following the date of his or her election to the Board. A Participant participating in this Article IV may revoke or change his or her election by filing a new election with the Secretary of the Company. Any revocation or change in election by a Participant shall not be effective for any period with respected to which Elected Shares have been issued to such Participant.

4.4 Issuance of Shares. Unless the Committee otherwise provides and except as provided below with respect to Non-Employee Directors, on each date on which a payment of compensation to a Participant is due, Ordinary Shares shall be issued to such Participant in an amount determined by the Committee pursuant to Section 4.1. With respect to each Non-Employee Director electing to receive Elected Shares pursuant to Section 4.2, the Ordinary Shares shall be issued on such date as the Committee may specify,, or as soon thereafter is reasonably practicable (although the date specified by the Committee shall be deemed the date of issuance); provided that, with respect to Non-Employee Directors electing to participate for the 1997 year, 1,000 Ordinary Shares shall be issued on such date as any necessary prior approvals are obtained, or as soon thereafter as is reasonably practicable (although the date specified in the applicable Elected Share Agreement shall be deemed the date of issuance); and provided further, that with respect to a Non-Employee Director elected to the Board for the first time who elects to participate for the year in which he or she is elected, 1,000 shares shall be issued on such date as any necessary prior approvals are obtained, or as soon thereafter is reasonably practicable (although the date of delivery of his or her election to the Plan Administrator shall be deemed the date of issuance). All Electing Shares issued or deemed issued pursuant to this Article IV shall be deemed outstanding for all purposes as of the date of their deemed issuance; provided that, with respect to Elected Shares issued to Non-Employee Directors pursuant to this Section 4.4, unless the Committee otherwise specifies, for a period of one year from the date of deemed issuance, such Elected Shares shall not be sold, transferred or otherwise disposed of, and shall not be pledged or otherwise hypothecated, and if for any reason other than death, disability or Retirement, such Non-Employee Director is not a Director of the Company at the end of such one-year term, then such shares shall be forfeited and returned to the Company. The issuance of Elected Shares shall be evidenced by Elected Share Agreements setting forth the total number of shares to be issued and such other terms, restrictions and provisions as are consistent with the Plan.

ARTICLE V
Stock Options

5.1 Eligibility. The Committee shall, from time to time, select the particular Directors, Employees and Advisors to whom the Stock Options provided under this Article V are to be granted.

5.2 Grant of Stock Options. All grants of Stock Options under this Article V shall be awarded by the Committee at such times and for such amounts as the Committee may determine. In the discretion of the Committee, any grant to an Employee may be in the form of an Incentive Stock Option (subject to the requirements of the Code). The grant of Stock Options shall be evidenced by Stock Option Agreements setting forth the total number of shares subject to each Stock Option, the option exercise price, the term of the Stock Option, and such other terms and provisions as are consistent with the Plan.

5.3 Option Exercise Price. The exercise price for a Stock Option granted under this Article V shall be determined by the Committee and shall be an amount not less than 100% of the Fair Market Value per Ordinary Share on the Date of Grant. Notwithstanding anything to the contrary in this Section 5.3, the exercise price of each Stock Option granted under the Plan shall not be less than the par value per share of an Ordinary Share.

5.4 Option Period. The option period for each Stock Option granted under this Article V will begin and terminate on the respective dates specified by the Committee. No Stock Option granted under the Plan may be exercised at any time after its term. The Committee may provide that Stock Options granted under this Article V may vest and be exercised in installments and upon such terms, conditions and restrictions as it may determine.

5.5 Payment. Full payment for shares purchased upon exercise of a

Stock Option shall be made (i) in cash, (ii) by certified or cashier's check, (iii) if permitted by the Committee, by Ordinary Shares, (iv) if permitted by the Committee, and if permitted under applicable law, by delivery of a promissory note for the purchase price, which note shall provide for full personal liability of the maker and shall contain such other terms and provisions as the Committee may determine, including without limitation the right to repay the note partially or wholly with Ordinary Shares, (v) by delivery of a copy of irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares purchased upon exercise of the Stock Option or to pledge them as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price or (vi) if permitted by the Committee, and to the extent permitted under applicable law, by any combination of the foregoing. If any portion of the purchase price or a note given at the time of exercise is paid in Ordinary Shares, those shares shall be valued at the then Fair Market Value.

5.6 Exercise of Stock Option. Stock Options granted under the Plan may be exercised during the option period, at such times and in such amounts, in accordance with the terms and conditions and subject to such restrictions as are set forth herein and in the applicable Stock Option Agreements.

The Committee shall have the right to accelerate the time at which any Stock Option granted under this Article V shall become vested and exercisable.

Subject to such administrative regulations as the Committee may from time to time adopt, a Stock Option will be deemed exercised for purposes of the Plan when (i) written notice of exercise has been received by the Company (which notice shall set forth the number of Ordinary Shares with respect to which the Stock Option is to be exercised and the date of exercise thereof) and (ii) payment of the Option Exercise Price is received by the Company in accordance with Section 5.5 above; provided that, with respect to a cashless exercise of any Stock Option (in accordance with clause (v) of Section 5.5 above), such Stock Option will be deemed exercised for purposes of the Plan on the date of sale of the Ordinary Shares received upon exercise.

5.7 Automatic Grant of Stock Options.

(a) Grant of Stock Options. In addition to the options provided for in this Article V, throughout the term of this Plan, on such date or dates in January of each year as the Committee may specify (and the Committee shall specify the Date of Grant or the manner in which the Date of Grant shall be determined based on the election by each Non-Employee Director), each Non-Employee Director of the Company shall be entitled to elect to receive either (i) 1,000 Elected Shares pursuant to Section 4.2 of the Plan and a Nonqualified Stock Option to purchase 10,000 Ordinary Shares or (ii) a Nonqualified Stock Option to purchase 15,000 Ordinary Shares. In addition, if a person is first appointed or elected as a

Non-Employee Director other than at a date that would permit him or her to participate in the election provided in the first sentence of this paragraph (a), then on the date of such appointment or election the Committee shall grant to such Non-Employee Director a Nonqualified Stock Option to purchase 15,000 Ordinary Shares. Notwithstanding anything in the foregoing to the contrary, in no event shall any Holder Designee (as defined in that certain Shareholders Agreement dated as of September 30, 1998 between the Company and HM4 Triton, L.P.) who is an employee, principal or director of HM4 Triton, L.P. or Hicks, Muse, Tate & Furst Incorporated be entitled to elect to receive Elected Shares pursuant to the second sentence of Section 4.2 of the Plan or Stock Options pursuant to this Section 5.7(a), whether on an annual basis or upon his or her first appointment or election as a Non-Employee Director.

(b) <u>Option Exercise Price.</u> The exercise price for a Stock Option granted under this Section 5.7 shall be equal to 100% of the Fair Market Value of an Ordinary Share on the Date of Grant. Notwithstanding anything to the contrary in this paragraph, the exercise price of each Stock Option granted pursuant to this Section 5.7 shall not be less than the par value of an Ordinary Share.

(c) <u>Option Period.</u> The option period for each Stock Option granted under this Section 5.7 will terminate ten years from the Date of Grant. No Stock Option granted under this Section 5.7 may be exercised at any time after its term.

(d) <u>Exercise of Stock Option.</u> Except only as specifically provided elsewhere in this Plan and as set forth in any Stock Option Agreement, each Stock Option granted under this Section 5.7 shall be fully vested and exercisable as to all of the Ordinary Shares covered thereby on the Date of Grant.

ARTICLE VI
Limitations on Incentive Stock Options

Notwithstanding the terms of Article V hereof, the following provisions of this Article VI shall apply to all Incentive Stock Options granted under the Plan.

6.1 <u>Stock Ownership Limitation.</u> In the case of an Incentive Stock Option, the Stock Option Agreement shall include provisions that may be necessary to assure that the option is an incentive stock option under the Code. No Incentive Stock Option may be granted to an Employee who owns more than 10% of the total combined voting power of all classes of shares of the Company or its Subsidiaries. This limitation will not apply if the option price is at least 110% of the fair market value of the Ordinary Shares on the Date of Grant and the option is not exercisable more than five years from the Date of Grant.

6.2 Limitation on Exercise of Incentive Stock Options. To the extent required by the Code for incentive stock options, the exercise of Incentive Stock Options granted under the Plan shall be subject to the $100,000 calendar year limit as set forth in Section 422(d) of the Code.

6.3 Limitation on Incentive Stock Option Characterization. To the extent that any Stock Option fails to qualify as an Incentive Stock Option, such Stock Option will be considered a Nonqualified Stock Option.

ARTICLE VII
RESTRICTED SHARES

Section 7.1 Eligibility. The Committee shall have complete discretion to select the particular Directors, Employees and Advisors to whom Restricted Shares may be issued, if any.

Section 7.2 Transfer Restrictions. Subject to the terms, provisions and conditions of the Plan, the Committee shall, upon the approval of the issuance of Restricted Shares, determine the number of shares to be issued to each Participant and to prescribe the form of the instruments evidencing any issuance of Restricted Shares and the legend, if any, to be affixed to the certificates representing Restricted Shares. Restricted Shares shall not be sold, transferred or otherwise disposed of, and shall not be pledged or otherwise hypothecated (any such sale, transfer or other disposition, pledge or other hypothecation being referred to as "to dispose of" or a "disposition"), by any Participant except as permitted under any conditions imposed by the Committee in connection with the issuance thereof. The Committee may require any Participant to whom Restricted Shares are issued to execute and deliver to the Company a stock power in blank with respect to the shares issued and may require that the Company retain possession of the certificates for shares with respect to which the restrictions have not lapsed.

Section 7.3 Notice to Company of Section 83(b) Election. Any Participant who exercises the election under Section 83(b) of the Code to have his receipt of shares of Restricted Shares taxed currently without regard to the restrictions shall give notice to the Company of such election immediately upon making the election. Such an election must be made within thirty days of the effective date of issuance and cannot be revoked except with the consent of the Internal Revenue Service, as required by the treasury regulations under the Code.

Section 7.4 Withholding. The Company is authorized to withhold any tax required to be withheld from the amount considered as taxable compensation to the Participant. In the event that funds are not otherwise available to cover any required withholding tax, the Participant shall be required to provide such funds before shares shall be issued to him.

ARTICLE VIII
Termination of Employment or Service

In the event a Participant who is an Employee shall cease to be employed by the Company or a Subsidiary, or a Participant who is a Director or Advisor shall cease to serve as a Director or Advisor, for any reason other than death, Retirement, Disability or for Cause, (i) the Committee shall have the ability to accelerate the vesting of the Participant's Stock Option and the lapse of any transfer restrictions imposed on Restricted Shares or Elected Shares in its sole discretion, and (ii) such Participant's Stock Option shall be exercisable (to the extent exercisable on the date of termination of employment or service as a Director or Advisor, or, if the Committee, in its discretion, has accelerated the vesting of such Stock Option, to the extent exercisable following such acceleration) (a) if such Stock Option is an Incentive Stock Option, at any time within three months after the date of termination of employment, unless by its terms the Stock Option expires earlier; or (b) if such Stock Option is a Nonqualified Stock Option, at any time within one year after the date of termination of employment or service as a Director or Advisor, unless by its terms the Stock Option expires earlier or unless the Committee agrees, in its sole discretion, to further extend the term of such Nonqualified Stock Option. In addition, a Participant's Stock Option may be exercised and any transfer restrictions imposed on a Participant's Restricted Shares and Elected Shares shall lapse as follows in the event such Participant ceases to serve as an Employee, Director or Advisor due to death, Disability, Retirement or for Cause:

(a) Death. Except as otherwise limited by the Committee at the time of the grant of a Stock Option or the issuance of Elected Shares or Restricted Shares, if a Participant dies while employed by the Company or a Subsidiary, or while serving as a Director or Advisor, or within three months after ceasing to be an Employee, Director or Advisor, his Stock Option shall become fully vested and exercisable on the date of his death and shall expire three years thereafter, unless by its terms it expires sooner or the Committee agrees, in its sole discretion, to further extend the term of such Stock Option (other than an Incentive Stock Option), and any transfer restrictions imposed on a Participant's Restricted Shares or Elected Shares shall lapse. During such period, the Stock Option may be fully exercised, to the extent that it remains unexercised on the date of death, by the Participant's personal representative or by the distributees to whom the Participant's rights under the Stock Option shall pass by will or by the laws of descent and distribution.

(b) Retirement. If a Participant ceases to be employed by the Company or a Subsidiary, or ceases to serve as a Director or Advisor, as a result of

Retirement, (i) the Committee shall have the ability to accelerate the vesting of the Participant's Stock Option and the lapse of any transfer restrictions imposed on Restricted Shares or Elected Shares in its sole discretion, and (ii) the Participant's Stock Option shall be exercisable (to the extent exercisable on the effective date of such retirement or, if the vesting of such Stock Option has been accelerated, to the extent exercisable following such acceleration) (a) if such Stock Option is an Incentive Stock Option, at any time three months after the effective date of such Retirement, unless by its terms the Stock Option expires earlier, and (b) if such Stock Option is a Nonqualified Stock Option at any time within one year after the effective date of such Retirement, unless by its terms the Stock Option expires sooner or the Committee agrees, in its sole discretion, to further extend the term of such Nonqualified Stock Option.

(c) Disability. If a Participant ceases to be employed by the Company or a Subsidiary, or ceases to serve as a Director or Advisor, as a result of Disability, the Participant's Stock Option shall become fully vested and exercisable and shall expire 12 months thereafter, unless by its terms it expires sooner or, unless the Committee agrees, in its sole discretion, to extend the term of such Stock Option (other than an Incentive Stock Option), and any transfer restrictions imposed on a Participant's Restricted Shares or Elected Shares shall lapse.

(d) Cause. If a Participant ceases to be employed by the Company or a Subsidiary, or ceases to serve as a Director or Advisor, because the Participant is terminated for Cause, the Participant's Stock Option shall automatically expire, and any Restricted Shares and Elected Shares as to which the transfer restrictions imposed thereon have not lapsed shall be returned and forfeited to the Company, unless the Committee otherwise agrees in its sole discretion.

Notwithstanding anything in the foregoing to the contrary, with respect to any Nonqualified Stock Option granted to a Non-Employee Director pursuant to Section 5.7, if a Participant ceases to serve as a Director for any reason (other than removal for Cause), such Nonqualified Stock Option shall remain exercisable for a period of five years thereafter, unless by its terms the Nonqualified Stock Option expires sooner or the Committee agrees, in its sole discretion, to further extend the term of such Nonqualified Stock Option.

ARTICLE IX
Amendment or Discontinuance

The Plan may be amended or discontinued by the Board or the Committee, without the approval of the shareholders or Participants; provided that no termination or amendment of the Plan may, without the consent of the Participant to whom any Stock Option has theretofore been granted or Elected Shares or Restricted Shares have been issued, adversely affect the rights of such Participant with respect to such Stock Option, Elected Shares or Restricted

Shares.

ARTICLE X
Term

The Plan may be terminated at any time by action of the Board or the Committee; provided that such termination will not adversely affect the terms of any outstanding Stock Options, Restricted Shares or Elected Shares.

ARTICLE XI
Capital Adjustments

If at any time while the Plan is in effect or unexercised Stock Options are outstanding there shall be any increase or decrease in the number of issued and outstanding Ordinary Shares, or there shall be a change in the issued and outstanding Ordinary Shares, through the declaration of a share dividend or through any recapitalization, stock split, combination, or exchange of Ordinary Shares, then and in such event:

(i) Any Elected Shares and Restricted Shares issued or deemed issued hereunder will be deemed outstanding and affected in the same manner as the outstanding Ordinary Shares (provided that any securities or other property distributed or deemed distributed in respect of Restricted Shares or Elected Shares shall be subject to the transfer restrictions then imposed on the underlying Restricted Shares or Elected Shares);

(ii) An appropriate adjustment shall be made in the maximum number of Ordinary Shares then subject to being awarded under grants pursuant to the Plan, to the end that the same proportion of the Company's issued and outstanding Ordinary Shares shall continue to be subject to being so awarded; and

(iii) Appropriate adjustments shall be made in the number of Ordinary Shares and the exercise price per share thereof then subject to purchase pursuant to each Stock Option previously granted and unexercised, to the end that the same proportion of the Company's issued and outstanding Ordinary Shares in each instance shall remain subject to purchase at the same aggregate exercise price.

Any fractional shares resulting from any adjustment made pursuant to this Article XI shall be rounded to the nearer whole share for the purposes of such adjustment. Except as otherwise expressly provided herein, the issuance by the Company of shares of any class, or securities convertible into shares of any class, either in connection with direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of or exercise price of Ordinary Shares then subject to outstanding Stock Options granted under the Plan.

ARTICLE XII
Recapitalization, Merger and Consolidation

(a) The existence of this Plan shall not affect in any way the right or power of the Company or its shareholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger, share exchange or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference shares ranking prior to or otherwise affecting the Ordinary Shares or the rights thereof (or any rights, options or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(b) Subject to any required action by the shareholders, if the Company shall be the surviving or resulting corporation in any merger, share exchange or consolidation, any outstanding Stock Option granted hereunder shall pertain to and apply to the securities or rights (including cash, property or assets) to which a holder of the number of Ordinary Shares subject to the Stock Option would have been entitled.

(c) In the event of any merger, share exchange or consolidation pursuant to which the Company is not the surviving or resulting corporation, there shall be substituted for each Ordinary Share subject to the unexercised portions of such outstanding Stock Option that number of shares of each class of shares or other securities or that amount of cash, property or assets of the surviving or consolidated company which were distributed or distributable to the shareholders of the Company in respect of each Ordinary Share held by them, such outstanding Stock Options to be thereafter exercisable for such shares, securities, cash or property in accordance with their terms.

(d) In the event of a Change in Control of the Company, then, notwithstanding any other provision in the Plan to the contrary, the vesting of all unvested installments of Stock Options outstanding shall thereupon automatically be accelerated and all such Stock Options shall become exercisable in full and any transfer restrictions remaining applicable to Restricted Shares shall automatically lapse.

(e) In case the Company shall, at any time while any Stock Option under this Plan shall be in force and remain unexpired, (i) sell all or substantially all of its property, or (ii) dissolve, liquidate, or wind up its affairs, then each Participant may thereafter receive upon exercise thereof (in lieu of each Ordinary Share which such Participant would have been entitled to receive) the same kind and amount of any securities or assets as may be issuable, distributable or payable upon any such sale, dissolution, liquidation, or winding up with respect to each Ordinary Share. In the event that the Company shall, at any time prior to the expiration of any Stock Option, make any partial distribution of its assets in the nature of a partial liquidation, spin-off or other special distribution, then the Committee may make or provide for such adjustment in the number of Ordinary Shares covered by outstanding Stock Options, in the exercise price applicable to such Stock Options and/or in the kind of shares covered thereby that the Committee, in its sole discretion, exercised in good faith, may determine is equitably required to prevent dilution or enlargement of rights of Participants that otherwise would result therefrom.

ARTICLE XIII
Options in Substitution for Stock Options Granted by Other Corporations

Stock Options may be granted under the Plan from time to time in substitution for stock options held by employees of a corporation who become or are about to become Employees of the Company or a Subsidiary as the result of a merger or consolidation of the employing corporation with the Company or a Subsidiary, the acquisition by either of the foregoing of stock of the employing corporation as the result of which it becomes a Subsidiary or a sale of substantially all of the assets of the employing corporation. The terms and conditions of the substitute options so granted may vary from the terms and conditions set forth in this Plan to such extent as the Committee at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the options in substitution for which they are granted.

ARTICLE XIV
Miscellaneous Provisions

14.1 Transferability of Stock Options.

(a) Incentive Stock Options. Incentive Stock Options may not be transferred or assigned other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Stock Option Agreement in respect of an Incentive Stock Option shall so provide. The designation by a Participant of a beneficiary will not constitute a transfer of the Stock Option. The Company may waive or modify any limitation contained in this Section that is not required for compliance with Section 422 of the Code.

(b) Nonqualified Stock Options. The Committee may, in its sole discretion, provide in any Stock Option Agreement with respect to Nonqualified Stock Options (or in an amendment to any existing Stock Option Agreement) such provisions regarding transferability of the Nonqualified Stock Options as the Committee, in its sole discretion, deems appropriate.

14.2 Investment Intent. The Company may require that there be presented to and filed with it by any Participant(s) under the Plan, such evidence as it may deem necessary to establish that the Stock Options granted or the Ordinary Shares to be issued, purchased or transferred are being acquired for investment and not with a view to their distribution.

14.3 No Right to Continue Employment. Nothing in the Plan or the grant of any Stock Option or the issuance of any Elected Shares or Restricted Shares confers upon any Director, Officer, Employee or Advisor the right to continue in the employ or service of the Company or interferes with or restricts in any way the right of the Company to discharge or remove any Director, Officer, Employee or Advisor at any time (subject to any contract rights of such person).

14.4 Shareholders' Rights. The holder of a Stock Option shall have none of the rights or privileges of a shareholder except with respect to shares which have been actually issued.

14.5 Tax Withholding.

(a) Whenever Ordinary Shares are to be issued in satisfaction of a Stock Option granted hereunder, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy federal, state, local or other withholding tax requirements (whether so required to secure for the Company an otherwise available tax deduction or otherwise) prior to the delivery of any certificate or certificates for such shares.

(b) When a Participant is required to pay to the Company an amount required to be withheld under applicable tax laws in connection with a Stock Option, such payment may be made (i) in cash, (ii) by check, (iii) if permitted by the Committee, by delivery to the Company of Ordinary Shares already owned by the Participant having a Fair Market Value on the date the amount of tax to be withheld is to be determined (the "Tax Date") equal to the amount required to be withheld, (iv) if permitted by the Committee, through the withholding by the Company of a portion of the Ordinary Shares acquired upon the exercise of the Stock Options having a Fair Market Value on the Tax Date equal to the amount required to be withheld, or (v) in any other form of valid consideration, as permitted by the Committee in its discretion.

(c) As a condition to the issuance of Ordinary Shares covered by any Incentive Stock Option, the Company may require the party exercising such Stock Option to give a written representation to the Company, which is satisfactory in form and substance to its counsel and upon which the Company may reasonably rely, that he or she will report to the Company any disposition of such shares prior to the expiration of the holding periods specified by Section 422(a)(1) of the Code. If and to the extent that the realization of income in such a disposition imposes upon the Company federal, state, local or other withholding tax requirements, or any such withholding is required to secure for the Company an otherwise available tax deduction, the Company shall have the right to require that the recipient remit to the Company an amount sufficient to satisfy those requirements; and the Company may require as a condition to the issuance of Ordinary Shares covered by an Incentive Stock Option that the party exercising such Stock Option give a satisfactory written representation promising to make such a remittance.

14.6 Indemnification of Board and Committee. No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and each and any officer or Employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination or interpretation.

14.7 Government Regulations. Notwithstanding any of the provisions hereof, or of any written agreements evidencing Stock Options, Elected Shares or Restricted Shares granted or issued hereunder, the obligation of the Company to issue, sell and deliver shares and remove any restrictions on any Elected Shares or Restricted Shares shall be subject to all applicable laws, rules and regulations and to such approvals by any government agencies or national securities exchanges as may be required. The Participant shall not exercise any Stock Option, and the Company shall not be obligated to issue any shares or remove restrictions on any Elected Shares or Restricted Shares, if such exercise, issuance or removal would constitute a violation by the Participant or the Company of any provision of any law or regulation of any governmental authority or any agreement with any stock exchange.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed effective as of the 2nd day of December, 1998.

TRITON ENERGY LIMITED

By: ______________________________
James C. Musselman, President
and Chief Executive Officer

Attest:

____
Robert B. Holland, III,
Secretary

EXHIBIT 12.1

TRITON ENERGY LIMITED AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(IN THOUSANDS, EXCEPT RATIOS)
(UNAUDITED)

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	YEAR ENDING DECEMBER 31,				SEVEN MONTHS ENDING DECEMBER 31,	YEAR ENDING MAY 31,
	1998	1997	1996	1995	1994	1994
Fixed charges, as defined						
Interest charges	$ 50,253	$ 50,625	$ 43,884	$ 41,305	$ 20,285	$ 26,951
Preferred dividend requirements of subsidiaries adjusted to pre-tax basis	---	---	---	---	---	364
Total fixed charges	$ 50,253	$ 50,625	$ 43,884	$ 41,305	$ 20,285	$ 27,315
Earnings, as defined (2):						
Earnings (loss) from continuing operations before income taxes, minority interest and extraordinary item	$(238,609)	$ 16,896	$ 20,945	$ 16,600	$ (22,834)	$ (23,104)
Fixed charges, above	50,253	50,625	43,884	41,305	20,285	27,315
Less interest capitalized	(23,215)	(25,818)	(27,102)	(16,211)	(11,833)	(16,863)
Plus undistributed (earnings) loss of affiliates	---	---	(118)	2,249	4,102	(645)
Less preferred dividend requirements of subsidiaries adjusted to pre-tax basis	---	---	---	---	---	(364)
	$(211,571)	$ 41,703	$ 37,609	$ 43,943	$ (10,280)	$ (13,661)
RATIO OF EARNINGS TO FIXED CHARGES (1) (2)	---	0.8	0.9	1.1	---	---

</TABLE>

(1) Earnings were inadequate to cover fixed for the years ended December 31, 1998, 1997 and 1996 by $261,824,000, $8,922,000 and $6,275,000, respectively, for the seven months ended December 31, 1994 by $30,565,000 and for the year ended May 31, 1994 by $40,976,000.

(2) Earnings reflect nonrecurring writedowns and loss provisions of $348,064,000, $46,153,000 and $1,058,000 for the years ended December 31, 1998, 1996 and 1995, respectively, $984,000 for the seven months ended December 31, 1994 and $45,754,000 for the year ended May 31, 1994. Nonrecurring gains from the sale of assets and other gains aggregated $125,617,000, $6,253,000, $22,189,000, $13,617,000 and $56,193,000 for the years ended December 31, 1998, 1997, 1996 and 1995 and May 31, 1994, respectively. The ratio of earnings to fixed charges if adjusted to remove nonrecurring items, would have been 0.2, 0.7, 1.4 and 0.8 for the years ended December 31, 1998, 1997, 1996 and 1995, respectively. Without nonrecurring items, earnings would have been inadequate to cover fixed charges for the years ended December 31, 1998, 1997 and 1995 by $39,377,000, $15,175,000 and $9,921,000, respectively, for the seven months ended December 31, 1994 by $29,581,000 and for the year ended May 31, 1994 by $51,415,000.

EXHIBIT 12.2

TRITON ENERGY LIMITED AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS
(IN THOUSANDS, EXCEPT RATIOS)
(UNAUDITED)

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	YEAR ENDING DECEMBER 31,				SEVEN MONTHS ENDING DECEMBER 31,	YEAR ENDING MAY 31,
	1998	1997	1996	1995	1994	1994
Fixed charges, as defined:						
Interest charges	$ 50,253	$ 50,625	$ 43,884	$ 41,305	$ 20,285	$ 26,951
Preference dividend requirements of the Company	3,061	400	985	802	449	---
Preferred dividend requirements of subsidiaries adjusted to pre-tax basis	---	---	---	---	---	364
Total fixed charges	$ 53,314	$ 51,025	$ 44,869	$ 42,107	$ 20,734	$ 27,315
Earnings, as defined (2):						
Earnings (loss) from continuing operations before income taxes, minority interest and extraordinary item	$(238,609)	$ 16,896	$ 20,945	$ 16,600	$ (22,834)	$ (23,104)
Fixed charges, above	53,314	51,025	44,869	42,107	20,734	27,315
Less interest capitalized	(23,215)	(25,818)	(27,102)	(16,211)	(11,833)	(16,863)
Plus undistributed (earnings) loss of affiliates	---	---	(118)	2,249	4,102	(645)
Less preference dividend requirements of the Company and its subsidiaries adjusted to pre-tax basis	(3,061)	(400)	(985)	(802)	(449)	(364)
	$(211,571)	$ 41,703	$ 37,609	$ 43,943	$ (10,280)	$ (13,661)
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERENCE DIVIDENDS (1) (2)	---	0.8	0.8	1.0	---	---

</TABLE>

(1) Earnings were inadequate to cover combined fixed charges and preference dividends for the years ended December 31, 1998, 1997 and 1996 by $264,885,000, $9,322,000 and $7,260,000, respectively, for the seven months ended December 31, 1994 by $31,014,000 and for the year ended May 31, 1994 by $40,976,000.

(2) Earnings reflect nonrecurring writedowns and loss provisions of $348,064,000, $46,153,000 and $1,058,000 for the years ended December 31, 1998, 1996 and 1995, respectively, $984,000 for the seven months ended December 31, 1994 and $45,754,000 for the year ended May 31, 1994. Nonrecurring gains from the sale of assets and other gains aggregated $125,617,000, $6,253,000, $22,189,000, $13,617,000 and $56,193,000 for the years ended December 31, 1998, 1997, 1996 and 1995 and May 31, 1994, respectively. The ratio of earnings to combined fixed charges and preference dividends if adjusted to remove nonrecurring items, would have been 0.2, 0.7, 1.4 and 0.7 for the years ended December 31, 1998, 1997, 1996 and 1995, respectively. Without nonrecurring items, earnings would have been inadequate to cover combined fixed charges and preference dividends for the years ended December 31, 1998, 1997 and 1995 by $42,438,000, $15,575,000 and $10,723,000, respectively, for the seven months

ended December 31, 1994 by $30,030,000 and for the year ended May 31, 1994 by $51,415,000.

EXHIBIT 21.1

TRITON ENERGY LIMITED
Subsidiaries Schedule

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NAME.	JURISDICTION OF ORGANIZATION
Triton Algeria, Inc..	Cayman Islands
Triton Angola, Inc.	Cayman Islands
Triton Asia Holdings, Inc..	Cayman Islands
Triton Australia, Inc..	Cayman Islands
Triton Brazil, Inc.	Cayman Islands
Triton Cambodia, Inc.	Cayman Islands
Triton China, Inc. LLC.	Cayman Islands
Triton China Resources, Inc..	Cayman Islands
Triton Colombia, Inc.	Cayman Islands
Triton Domestic Oil & Gas Corp.	Nevada
Triton Ecuador, Inc. LLC.	Cayman Islands
Triton Energy Corporation	Delaware
Triton Energy Limited	Cayman Islands
Triton Equatorial Guinea, Inc..	Cayman Islands
Triton Exploration (Malaysia) Sdn. Bhd.	Malaysia
Triton Exploration Services, Inc.	Delaware
Triton Guatemala S.A.	British Virgin Islands
Triton Hellas Exploration and Exploitation of Hydrocarbons Anonymous Industrial Technical and Commercial Company.	Greece
Triton International Finance, Inc..	Cayman Islands
Triton International Oil Corporation.	Cayman Islands
Triton International Oil Corporation.	Delaware
Triton International Petroleum, Inc..	Cayman Islands
Triton Italy, Inc..	Cayman Islands
Triton Madagascar, Inc.	Cayman Islands
Triton Mediterranean Oil & Gas N.V.	Netherlands
Triton Oil Company of Malaysia, Inc..	Cayman Islands
Triton Oil Company of Thailand Ltd. Co.	Texas
Triton Oil Company of Thailand (JDA) Limited.	Cayman Islands
Triton Oman, Inc.	Cayman Islands
Triton Oman Resources, Inc.	Cayman Islands
Triton Resources Argentina, Inc..	Cayman Islands
Triton Resources Colombia, Inc.	Cayman Islands
Triton Resources (UK) Limited	United Kingdom

Triton Tunisia, Inc..	Cayman Islands
Triton Ventures, Inc.	Cayman Islands
WWS Viators Corporation	Delaware

</TABLE>

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements on Form S-3 (Nos. 33-59567, 333-11703, 333-11703-01, and 333-67843) and to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 2-80978, 33-4042, 33-27203, 33-29498, 33-46968, 33-51691, 333-08005 and 333-27313) of Triton Energy Limited of our report dated February 2, 1999 appearing on page F-2 of this Form 10-K.

PricewaterhouseCoopers LLP
Dallas, Texas
March 26, 1999

EXHIIT 23.2

DeGOLYER and MacNAUGHTON
One Energy Square
Dallas, Texas 75206

March 22, 1999

Triton Energy Limited
Caledonian House
Mary Street
P.O. Box 1043
George Town
Grand Cayman, Cayman Islands

Gentlemen:

We hereby consent to (i) the use of the information contained in our "Appraisal Report, as of December 31, 1998, on Certain Properties in Colombia owned by Triton Colombia Incorporated," under the caption "Items 1 and 2 - Business and Properties - Reserves" and in note 25 of the Notes to the Consolidated Financial Statements under the caption "Oil and Gas Reserve Data" in the Form 10-K of Triton Energy Limited for the year ended December 31, 1998, and (ii) the references to our firm under such captions. Our estimates of reserves, however, for the Cusiana and Cupiagua fields have been aggregated in the Form 10-K with other Colombian reserves for which we have not prepared estimates.

Very truly yours,

DeGOLYER and MacNAUGHTON

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