



THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Media Release

NGC, Shell, PDVSA finalise historic Heads of Agreement

17th March 2017

Wednesday 15th March 2017, saw the signing of a Heads of Agreement (HoA) among NGC, Shell and Venezuela's state oil and gas company, Petroleos de Venezuela SA (PDVSA) and marked an historic chapter in the energy evolution of Trinidad and Tobago and Venezuela. The execution of the HoA follows the earlier Government-to-Government Agreement signed by Trinidad and Tobago's Prime Minister Dr. The Honourable Keith Rowley and Venezuelan President Nicolas Maduro on December 5th 2016.

Importantly, the agreement will create a framework for both countries through the consortium of NGC, PDVSA and Shell, to access and monetise 2.4 tcf of gas from the Dragon Field, utilising infrastructure owned by Shell and NGC. Dragon is part of the Mariscal Sucre complex, which holds 14.7 tcf of reserves and has the potential to transform both countries' economic and energy fortunes.

NGC's Chairman Gerry C. Brooks, on signing the agreement emphasised that this was another clear expression of the new Board's intent, to aggressively pursue all available solutions to solve the T&T gas supply challenge in the shortest possible timeframe; while ensuring optimal benefits to our partners. He noted that the gas shortage was an inherited problem which began in 2010, and despite previous assurances, was unsolved. He congratulated the NGC team of President Mark Loquan and other executives including, Vice President, Legal, Edmund Subryan and Vice President, Gas Transmission and Distribution, Ronald Adams, for their work and support to date.

The Dragon Field's 2.4tcf of reserves, according to the Chairman, will buttress Trinidad and Tobago's gas reserves going forward. The gas obtained from Dragon will produce an estimated 300 million cubic feet per day of natural gas from four wells. In the first phase, the gas from the Dragon will provide a much-needed supply to boost the country's gas supply for both the LNG and the petrochemical sectors.

First gas from Dragon is expected in 2020, though there have been calls by the leaders of both countries to decrease the timeline. Trinidad and Tobago and Venezuela will take responsibility to operationalise the plan to extract and monetise the gas from the Dragon Field.

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