

2016 FINANCIAL OVERVIEW

CHAIRMAN'S REPORT

Despite another year of challenging economic conditions, 2016 was a year in which the earnings of Trinidad and Tobago NGL Limited (TTNGL) returned to growth when compared to 2015. This was achieved through the careful and responsible management of the Company's finances as well as the improved performance of the underlying asset, Phoenix Park Gas Processors Limited (PPGPL).

Under the watchful oversight and guidance of the new Board of TTNGL, the Company successfully completed its Initial Public Offering (IPO) in October 2015 and is now poised to further deepen its position on the local capital market via an additional public offering by NGC of its remaining Class B shares in TTNGL. The results achieved in 2016 are a further demonstration by the Board of the positive impact of a consistent dividend policy coupled with high levels of operational discipline and financial management.

INDUSTRY OVERVIEW

For 2016, the energy sector in Trinidad and Tobago continued to face significant headwinds with the convergence of lower commodity prices and natural gas supply challenges. Crude oil prices remained low for the year, with the average price for West Texas Intermediate (WTI) and Brent crude below the 2015 average, despite the uptick in prices above US\$50 per barrel towards the end of the year.

WTI and Brent crude averaged US\$43 and US\$44 per barrel respectively. Production continued to outweigh consumption in 2016 with OPEC crude oil production increasing by 0.8 million barrels per day (bpd) to 32.9 million bpd in 2016.

Oil prices ended 2016 above US\$50 per barrel as the Organization of Petroleum Exporting Countries (OPEC) made agreements to cut production in an attempt to balance the market. Natural gas prices were also lower in 2016 compared to the previous year. The average Henry Hub spot price was US\$2.49 per MMBtu, the lowest annual average since 1999. These reduced natural gas prices were due to warmer than expected temperatures and changing demand for natural gas.

As a result of the soft commodity prices, Trinidad and Tobago, with its heavy reliance on the oil and gas industry as a main source of income, experienced challenging economic conditions throughout 2016. Energy accounts for over 80% of Trinidad and Tobago's exports and approximately 32% of GDP. Oil tax revenue currently accounts for 30% of revenue compared to 55% prior to 2015. As a consequence, Trinidad and Tobago will continue to experience these challenging headwinds in the near term, requiring PPGPL and other local companies to focus on cost containment, recalibration of strategy, reengineering and excellence in execution.

Some relief to the natural gas curtailments is expected in Q4 2017 when production from bpTT's Juniper platform commences. Progress has also been made for the medium term following agreements with Venezuela for the supply of natural gas from fields in the Mariscal Sucre region and joint development of the cross-border Loran-Manatee field.

RESULTS

As Chairman of the Board, I am pleased to announce that for the year ended 31 December, 2016, TTNGL recorded total comprehensive income of TT\$344.8 million. Earnings per share was TT\$1.16 for 2016. TTNGL's share of profits from its 39% shareholding in PPGPL improved operationally by 20.3% from TT\$136.3 million in 2015 to TT\$164.0 million in 2016. This improved performance at PPGPL was directly linked to the deliberate efforts of the Company to rationalise expenses in the face of lowered Natural Gas Liquids (NGL) production caused by continued gas supply challenges and lowered product prices. The TTNGL results were positively impacted by:

1. A reversal of TT\$17.8 million (2015 reversal: TT\$235.2 million) of the impairment loss of TT\$1.1 billion that was recognised in 2014. The reversal was due to an increase in the recoverable amount which was largely driven by PPGPL's implementation of value creation initiatives (see below) to mitigate production and price challenges.
2. Higher comprehensive income arising from exchange translation differences to the presentation currency. This contributed TT\$165.2 million to total comprehensive income when compared to TT\$31.9 million in the previous year. This improvement was due to a lower valued Trinidad and Tobago Dollar versus the United States Dollar at the end of 2016.

DIVIDEND

The Board has approved a final dividend of TT\$1.00 per share (2015: TT\$1.00) bringing the total dividend for 2016 to TT\$1.50. This is consistent with the dividend payout for 2015 and represents a dividend yield of 7.14% at the end of 2016. It is the highest dividend yield on the TTSE.



Trinidad and Tobago NGL Limited

TTNGL's dividend yield of 7.14% at the end of 2016 is the highest dividend yield on the Trinidad and Tobago Stock Exchange

Chairman's Report (continued)

The final dividend was paid on 12 April, 2017 to shareholders on the Register as at 28 March, 2017.

PHOENIX PARK GAS PROCESSORS LIMITED

PPGPL recorded after tax earnings of US\$63.3 million (TT\$420.4 million) for 2016, compared to US\$55.0 million (TT\$349.5 million) for 2015. This improved performance was due primarily to the positive impact of cost management strategies offset by the impact of lower NGL prices and lower NGL production.

PPGPL's 2016 accomplishments include:

- 15% growth in after tax earnings;
- Excellent safety performance resulting in zero lost work day cases;
- Execution of two new sales contracts for sale of LPGs to the Caribbean market;
- Successful cost management strategy implementation;
- Final investment decision on the product trading project;
- Meeting dividend target of US\$70 million (TT\$464.9 million);
- Achieving zero demurrage target;
- Completion of 2016 financial audit with zero items on Management Letter;
- Board approval of the 2016-2020 Strategic Plan.

In addition to its improved financial performance, in 2016 PPGPL continued to aggressively pursue value added growth opportunities in its core business and related businesses. By so doing, the company has embarked on a series of initiatives to create new and diversified revenue streams that will mitigate the impact of the gas shortage on the island over the next five years. The projects which have been targeted include NGL Product Trading, Condensate Marketing and acquisition of strategic storage assets in the region. These projects will be pursued in 2017, with the NGL Product Trading Project having already received Board sanction in December 2016.

OUTLOOK

Despite the difficult challenges being faced, our Board believes that the NGC Group of Companies, of which TTNGL is a member, is well positioned to navigate this difficult cycle and emerge stronger over the medium term. Our optimism is founded on the Group's strong legacy position and the conceptualisation of the Group's five-year Strategic Plan 2016-2020. The Plan was developed in conjunction with Executives across the Group and enjoys their full support and commitment. It has been rolled out and is now in the execution phase. The Plan is based on four strategic pillars:

1. Securing the current business;
2. Growing the Group locally and internationally;
3. Developing the organisations within the NGC Group; and
4. Strengthening national contribution.

Within the context of this Strategic Plan, in December 2016 the Board of PPGPL approved the PPGPL Strategic Plan for the period 2016-2020. This Strategic Plan provides for the future development and growth of the Company within three business segments:

- Production Centric,
- Marketing Centric, and
- Growth Centric.

By placing focus on operational efficiencies, diversifying its revenue streams and aggressively pursuing value added growth opportunities locally and internationally, PPGPL is positioned to progressively improve its returns to its shareholders, thereby enabling the Board of TTNGL to continue to deliver to our shareholders, consistent dividend yields.

ACKNOWLEDGEMENT

I wish to take this opportunity to thank management and staff across the NGC Group of Companies for their support over the past year as we continue to lay the foundation through prudent management and robust business strategy for a prosperous future. The Boards across the Group have made tremendous strides in ensuring the engagement and alignment of all employees across the Group by being open, transparent and collaborative in the development of strategic plans and the associated annual work plans. Additionally, the continued collaboration of employees across the NGC Group in executing business plans will further strengthen the resilience of the NGC Group, and by extension TTNGL, in delivering on its business targets.

On behalf of the Board of Directors, I also wish to thank you the shareholders for your support and confidence as we navigate through these challenging times.



Gerry C. Brooks
Chairman



Trinidad and Tobago NGL Limited

Summary Financial Statements

For the year ended 31 December 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

TTS'000	Unaudited		Audited	
	Three months ended 31 Dec 2016 \$'000	Three months ended 31 Dec 2015 \$'000	Year ended 31 Dec 2016 \$'000	Year ended 31 Dec 2015 \$'000
Income				
Share of profit from investment in joint venture	46,390	2,294	163,955	136,279
Interest income	113	--	219	--
Total income	46,503	2,294	164,174	136,279
Expenses				
Impairment reversal	17,831	235,195	17,831	235,195
Legal and professional fees	(156)	(55)	(704)	(55)
Other expenses	(183)	2,579	(956)	(282)
Profit/(loss) before tax	63,995	240,013	180,345	371,137
Income tax expense	(352)	(51)	(777)	(305)
Profit for the period	63,643	239,962	179,568	370,832
Other comprehensive income:				
Exchange translation differences, net of tax	14,792	37,911	165,199	31,931
Other comprehensive loss	3543.88	14,792	165,199	31,931
Total comprehensive profit/(loss)	254,879.7	277,873	344,767	402,763
Earnings per share				
Basic (dollars per share)	254,879.744 25314	0.41	1.55	1.16
Diluted (dollars per share)	254,879.744 3543.88	0.41	1.55	1.16

SUMMARY STATEMENT OF CASH FLOWS

TTS'000

SUMMARY STATEMENT OF FINANCIAL POSITION

TTS'000	Audited	
	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Investment in joint venture	2,985,162	2,827,778
Total non-current assets	2,985,162	2,827,778
Due from parent company	--	415,836
Dividends receivable	13,155	25,036
Cash and cash equivalents	366,080	--
Total current assets	379,235	440,872
Total assets	3,364,397	3,268,650
Equity		
Share capital	2,772,120	2,772,120
Translation reserve	146,005	(19,194)
Retained earnings	442,529	495,161
Total shareholder's equity	3,360,654	3,248,087
Current liabilities		
Due to parent company/related party	3,332	1,104
Dividends payable	--	19,350
Trade and other payables	175	58
Income tax payable	236	51
Total liabilities	3,743	20,563
Total equity and liabilities	3,364,397	3,268,650

SUMMARY STATEMENT OF CHANGES IN EQUITY

TTS'000	Share capital \$'000	Translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
Year ended 31 December 2016				
Balance at 1 January 2016	2,772,120	(19,194)	495,161	3,248,087
Profit for the year	--	--	179,568	179,568
Other comprehensive income	--	165,199	--	165,199
Dividends	--	--	(232,200)	(232,200)
Balance at 31 December 2016	2,772,120	146,005	442,529	3,360,654
Year ended 31 December 2015				
Balance at 1 January 2015	3,870,000	(51,125)	(896,149)	2,922,726
Capital reduction	(1,097,880)	--	1,097,880	--
Profit for the year	--	--	370,832	370,832
Other comprehensive income	--	31,931	--	31,931
Dividends	--	--	(77,402)	(77,402)
Balance at 31 December 2015	2,772,120	(19,194)	495,161	3,248,087



Summary Financial Statements (continued)

For the year ended 31 December 2016

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Basis of preparation

These summary financial statements are prepared in accordance with established criteria developed by management and disclose the summary statement of financial position, summary statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows. These summary financial statements are derived from the audited financial statements of Trinidad and Tobago NGL Limited for the year ended 31 December, 2016 which are prepared in accordance with International Financial Reporting Standards. A full version of the audited financial statements will be available in the Company's Annual Report.

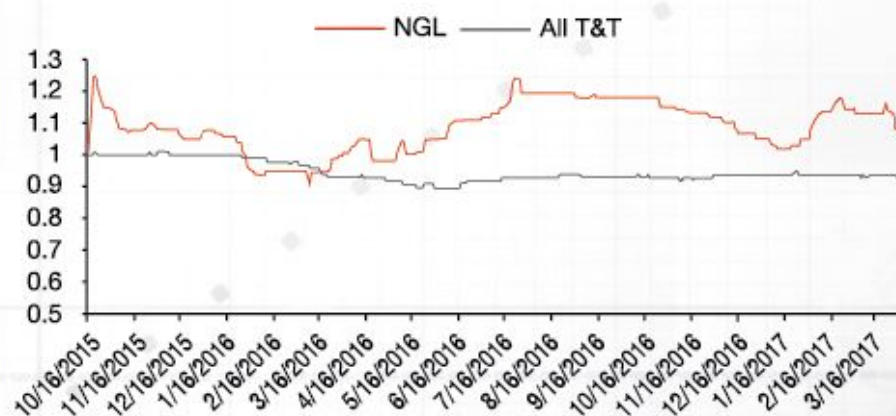
2. Significant accounting policies

These summary financial statements have been prepared with the accounting policies set out in Note 2 of the 31 December, 2016 audited financial statements consistently applied from period to period. The Company has adopted all the relevant new and revised accounting standards that are mandatory for annual accounting period on or after 1 January, 2016.

3. Currency

All monetary amounts are stated in Trinidad and Tobago dollars.

TTNGL share price appreciation exceeds the All T&T Index



TTNGL BOARD OF DIRECTORS



REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS

To the shareholders of Trinidad and Tobago NGL Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at 31 December, 2016, the summary statement of profit and loss and other comprehensive income, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Trinidad and Tobago NGL Limited for the year ended 31 December, 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis of management's established criteria described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 6 March, 2017. That report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the current year.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis of management's established criteria described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche
Derek Mohammed (ICATT# 864)
Port of Spain
Trinidad
6 March 2017

NOTICE OF MEETING

Notice is hereby given that the 2nd Annual Meeting of the Shareholders of Trinidad and Tobago NGL Limited (the "Company") will be held at the Grand Ballroom, Hilton Trinidad & Conference Centre, Lady Young Road, Port of Spain, Trinidad on Tuesday 25 April, 2017 commencing at 10:00 am for the transaction of the following business:

Ordinary Business

- 1 To receive the Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2016.
- 2 To re-elect Directors.
- 3 To re-appoint Deloitte and Touche as Auditors of the Company from the conclusion of the meeting until the conclusion of the next annual meeting before which accounts are laid, and to authorise the Directors to fix the Auditors' remuneration.
- 4 To transact any other business which may be properly brought before the meeting.

Special Resolution

- 1 To amend and restate the existing By-Law No 1 of the Company.

By order of the Board

Aegis Business Solutions Limited
Company Secretary
18 Scott Bushe Street
Port of Spain
4 April 2017

NOTES:

1. Only shareholders on record at the close of business on 10 April 2017, the date fixed by the Directors as the record date, are entitled to receive notice of the annual meeting.
2. A shareholder entitled to attend and vote at the meeting may appoint one or more proxies to attend and, in the case of a poll, vote instead for him. A proxy need not be a shareholder of the company.