



**THE NATIONAL GAS COMPANY  
OF TRINIDAD AND TOBAGO LIMITED**

## Summary of Interim Consolidated Financial Statements for the Period Ended 30 June 2020

### CHAIRMAN'S REPORT FOR THE PERIOD ENDED 30 JUNE 2020

The NGC Group of Companies has recorded a loss after tax of \$316.2 million for the first half of 2020. This represents a decrease of 296% or \$477.3 million from the six-month profit for 2019 of \$161.1 million. Revenues decreased by 22.9% or \$1.74 billion from \$7.61 billion for the six months ended June 2019 to \$5.87 billion for the six months to June 2020. Margins continue to be affected by the volatility in the commodity markets with prices decreasing by 33%, 9% and 44% for Methanol, Ammonia, and Natural Gas Liquids respectively in the reporting period. This decline in margins as well as impairment provisions on assets associated with changes in market outlook, legacy issues, and non-payment for gas sales by NGC's largest customer have caused the overall results to be unfavourable and contributed towards a tightening of NGC's liquidity position.

Despite the current COVID-19 pandemic and associated challenges, The NGC Group has been able to ensure business continuity and kept critical operations required for the functioning of the national economy. This was possible due to the Group's investment in various technologies which have supported Work from Home (WFH) activities in accordance with Ministry of Health protocols.

The downstream sector has been significantly challenged in the new environment and companies have responded by using this period to curtail operations, execute turnarounds and prepare for market recovery. In this new environment, we continue to work with all stakeholders to create a sustainable industry both in the short term and for the longer-term recovery.

In 2020, we signed a Framework Agreement with Touchstone Exploration Inc. and Heritage Petroleum Company Limited for the development, sale and purchase of all natural gas and natural gas liquids produced from the Ortoire Block and are now in detailed discussions for the execution of a fully termed gas supply contract. We also executed a new gas supply contract with BHP for the supply of gas from the Block 3(a) which is under development with first gas expected in Q4 2021.

The Group has also continued with its internationalisation thrust and acquired the NGL liquids marketing assets of Twin Eagle Liquids Marketing LLC and incorporated a Company Phoenix Park Energy Holdings (PPEH) to own and operate the assets. The performance of this asset has been positive and is expected to favourably impact the results of PPGPL and The NGC Group.

Despite the challenges currently experienced, the Group remains focused on the execution of its current strategy of being an integrated gas player participating in all stages of the gas value chain. We will continue our Investments in technology to support the transformation of our businesses that will allow us to respond with the agility that is required as we move forward.

I would like to thank our Directors for their sterling contribution and wish to recognise the efforts of the leadership and staff at The NGC Group for taking us through this difficult period in our evolution.

Conrad Enill  
Chairman  
29 October 2020

### SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Jun-2020 \$'000	30-Jun-2019 \$'000	31-Dec-2019 \$'000
<b>Revenue</b>	<b>5,868,330</b>	7,609,529	13,609,390
(Loss)/profit before finance cost	<b>(117,958)</b>	534,365	705,596
Finance costs	<b>(111,588)</b>	(102,923)	(230,130)
Share of loss from associate	<b>(23,115)</b>	(21,793)	(4,513)
(Loss)/profit before taxation	<b>(252,661)</b>	409,649	470,953
Taxation	<b>(63,539)</b>	(248,552)	(75,202)
<b>(Loss)/profit after taxation</b>	<b>(316,200)</b>	161,097	395,751
Other comprehensive income/(loss), net of taxes:			
Items that will not be reclassified subsequently to profit or loss:	<b>(76,260)</b>	(114,656)	(117,413)
Items that may be reclassified subsequently to profit or loss:	<b>(133,065)</b>	(38,816)	(65,602)
Total other comprehensive (loss) for the period, net of tax	<b>(209,325)</b>	(153,472)	(183,015)
Total comprehensive income/(loss) for the period	<b>(525,525)</b>	7,625	212,736
<b>Total comprehensive income/(loss) for the period net of tax</b>			
Attributable to:			
- Owners of the parent	<b>(490,969)</b>	(62,034)	151,891
- Non-controlling interest	<b>(34,556)</b>	69,659	60,845
	<b>(525,525)</b>	7,625	212,736

### SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Expressed in Trinidad and Tobago dollars)

	UNAUDITED		AUDITED
	30-Jun-2020 \$'000	30-Jun-2019 \$'000	31-Dec-2019 \$'000
<b>Assets</b>			
Non-current assets	<b>29,063,987</b>	30,752,948	29,868,997
Current assets	<b>11,052,582</b>	11,047,696	11,006,211
Total assets	<b>40,116,569</b>	41,800,644	40,875,208
<b>Equity and Liabilities</b>			
Stated capital	<b>1,855,266</b>	1,855,266	1,855,266
Reserve fund	<b>438,192</b>	438,192	438,192
Other reserves	<b>5,418,927</b>	6,020,045	5,651,709
Retained earnings	<b>16,646,309</b>	16,647,859	16,908,859
Total equity attributable to owners of the parent	<b>24,358,694</b>	24,961,362	24,854,026
Non-controlling interest	<b>2,560,749</b>	2,702,964	2,622,827
Total equity	<b>26,919,443</b>	27,664,326	27,476,853
Non-current liabilities	<b>9,766,524</b>	10,104,878	9,771,828
Current liabilities	<b>3,430,602</b>	4,031,440	3,626,527
Total equity and liabilities	<b>40,116,569</b>	41,800,644	40,875,208