

Setting the Record Straight

Beetham Water Reuse Project is 78% Complete.

The National Gas Company of Trinidad and Tobago Limited (NGC) wishes to respond to the article published in the Sunday Guardian on July 19, 2015 under the headline “SIS Banks \$.9B.”

NGC strongly refutes the article's conclusions as they are based on erroneous information and are not supported by the current facts of the project's progress to completion. We believe it essential that NGC correct the inaccuracies in the article given the importance of the project to the national community. The Beetham Water Reuse Plant (BWRP) will provide 10 million gallons of water per day to Point Lisas, freeing up water for distribution to domestic customers across the country. This additional 10 million gallons of water per day will provide a full-time water supply to over 150,000 people and positively impact more than 200,000.

In response to the issues raised in the Sunday Guardian, we would like to provide the following update and address some of the inaccuracies in the article:

- The contract between NGC and the Super Industrial Services Ltd (SISL) for the Beetham Water Reuse Plant (BWRP) contains a payment schedule that is being honoured. The payment schedule includes a 20% mobilisation fee of US \$32.4 Million. As is standard for projects of this nature, over the course of the project, this mobilisation fee is **REPAID** to NGC by the contractor. Under the terms of the project agreement, the first scheduled repayment of the mobilisation fee by the contractor is due in August 2015.
- The contract also caters for a 20% retention fee to be repaid to the contractor in two tranches. The first tranche of 10% is due at commissioning (after the 'taking over certificate' is issued) and the second tranche of 10% is due after the defects notification period of 365 days.
- Two consultants are assigned to this project - CPG Corporation Pte. Ltd (Singapore) and Ernst & Young.
- As with all contracts of this nature, there will always be unforeseen circumstances that will be addressed through contract variations as catered for in the terms and conditions of the contract.
- The project delivery schedule has had a minor setback because of adverse weather conditions and procurement delays. NGC is currently working with the contractor to develop a revised project timeline.
- Overall 78% of the engineering, procurement and construction planned to complete the project has been delivered. As at May 30, 2015 this overall figure represented 98% of the engineering work, 90% of the procurement and 42% of the construction related activity.