

CONSOLIDATED FINANCIAL STATEMENTS

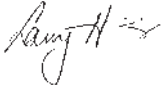
For year ended 31 December, 2009

CHAIRMAN'S REPORT

I am pleased to report that The National Gas Company of Trinidad and Tobago Limited (NGC) maintained its profitability in 2009, notwithstanding the negative impact of the global financial crisis, with sales turnover of TT\$9 billion and after tax profits of TT\$1.7 billion.

Although these results are not at the level experienced in 2008 which was an exceptional year, NGC's core business of purchase, transportation and sale of natural gas as well as dividend income received from its key strategic investments in the liquefied natural gas (LNG) and natural gas liquids (NGL) business remained stable. The company also continued its infrastructure development works to expand its offshore pipeline capacity.

I am further pleased to advise that NGC continued to maintain its international reputation by having its investment grade credit rating reconfirmed by international and regional rating agencies, viz: Standard & Poor's - BBB+, Moody's - A3 and CariCRIS - Cari AAA.



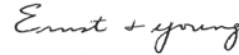
Larry Howai
Chairman

AUDITORS' REPORT

We have audited the financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries for the year ended 31 December, 2009, from which the summarized financial statements were derived, in accordance with International Standards on Auditing. In our report dated 26 November, 2010 we expressed an unqualified audit opinion on the consolidated financial statements from which the summarized financial statements were derived.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Group's financial position and the results of its operations for the period and of the scope of our audit, the summarized financial statements should be read in conjunction with the consolidated financial statements from which the summarized financial statements were derived and our audit report thereon.



Port of Spain, Trinidad
26 November, 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago dollars)

| | 2009 \$'000 | 2008 \$'000 |
|-------------------------------------|-------------------|-------------------|
| Assets | | |
| Non-Current Assets | 13,242,607 | 10,713,253 |
| Current Assets | 13,482,962 | 14,050,088 |
| Total Assets | 26,725,569 | 24,763,341 |
| Equity and Liabilities | | |
| Stated Capital | 1,752,848 | 1,752,848 |
| Capital Subscribed | 102,418 | - |
| Reserves | 1,381,004 | 974,651 |
| Retained Earnings | 13,458,830 | 12,529,611 |
| Equity attributable to: | | |
| - Equity holders of the Parent | 16,695,100 | 15,257,110 |
| - Minority Interests | 333,610 | 315,496 |
| Total Equity | 17,028,710 | 15,572,606 |
| Non-Current Liabilities | 5,758,486 | 5,672,497 |
| Current Liabilities | 3,938,373 | 3,518,238 |
| Total Equity and Liabilities | 26,725,569 | 24,763,341 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago dollars)

| | 2009 \$'000 | 2008 \$'000 |
|---|------------------|------------------|
| Sales | 9,125,401 | 17,744,608 |
| Gross profit | 1,682,137 | 6,369,819 |
| Other operating income | 112,432 | 144,521 |
| Interest and other Investment Income | 1,070,807 | 1,400,806 |
| Share of profit from joint venture | 472,133 | 735,197 |
| Finance costs | (291,772) | (797,533) |
| Administrative, maintenance & general expenses | (618,538) | (1,690,282) |
| Other | (111,335) | (92,106) |
| Profit before tax | 2,315,864 | 6,070,422 |
| Income tax expense | (603,432) | (2,410,291) |
| Profit for the year | 1,712,432 | 3,660,131 |
| Other comprehensive income | | |
| Available-for-sale financial assets | 223,060 | (107,786) |
| Foreign currency translation | 212,338 | (62,053) |
| Other comprehensive income for the year, net of tax | 435,398 | (169,839) |
| Total comprehensive income for the year | 2,147,830 | 3,490,292 |
| Attributable to: | | |
| - Equity holders of the Parent | 1,985,572 | 3,229,432 |
| - Minority interests | 162,258 | 260,860 |
| | 2,147,830 | 3,490,292 |

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Trinidad and Tobago dollars)

| | Attributable to Equity Holders of the Parent | | | | | Total \$'000 | Minority interests \$'000 | Total equity \$'000 |
|---|--|---------------------------------|---------------------------|-----------------------------|--------------------------------|-----------------|---------------------------------|---------------------------|
| | Stated capital \$'000 | Capital subscribed \$'000 | Reserve fund \$'000 | Other reserves \$'000 | Retained earnings \$'000 | | | |
| Year ended 31 December 2008 | | | | | | | | |
| Balance as at 1 January 2008 | 1,752,848 | - | 438,192 | 729,020 | 9,757,618 | 12,677,678 | 261,677 | 12,939,355 |
| Total comprehensive income for the year | - | - | - | (168,400) | 3,397,832 | 3,229,432 | 260,860 | 3,490,292 |
| Transfer of depreciation for offshore plant and equipment and pipelines | - | - | - | (24,161) | 24,161 | - | - | - |
| Dividends | - | - | - | - | (650,000) | (650,000) | (207,041) | (857,041) |
| Balance as at 31 December 2008 | 1,752,848 | - | 438,192 | 536,459 | 12,529,611 | 15,527,110 | 315,496 | 15,572,606 |
| Year ended 31 December 2009 | | | | | | | | |
| Balance at 1 January 2009 | 1,752,848 | - | 438,192 | 536,459 | 12,529,611 | 15,527,110 | 315,496 | 15,572,606 |
| Total comprehensive income for the year | - | - | - | 430,350 | 1,555,222 | 1,985,572 | 162,258 | 2,147,830 |
| Transfer of depreciation for offshore plant and equipment and pipelines | - | - | - | (23,997) | 23,997 | - | - | - |
| Dividends | - | - | - | - | (650,000) | (650,000) | (144,144) | (794,144) |
| Capital subscribed | - | 102,418 | - | - | - | 102,418 | - | 102,418 |
| Balance as at 31 December 2009 | 1,752,848 | 102,418 | 438,192 | 942,812 | 13,458,830 | 16,695,100 | 333,610 | 17,028,710 |



CONSOLIDATED FINANCIAL STATEMENTS

For year ended 31 December, 2009

CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago dollars)

| | 2009 \$'000 | 2008 \$'000 |
|---|----------------|----------------|
| Cash flows from operating activities | | |
| Net profit for the year | 2,315,864 | 6,070,422 |
| Adjustment for non-cash items | (307,923) | 862,041 |
| Operating profit before working capital | 2,007,941 | 6,932,463 |
| Changes in working capital | (308,416) | (509,606) |
| Cash generated from operations | 1,699,525 | 6,422,857 |
| Net taxation, interest and pension contributions paid | (808,238) | (1,864,965) |
| Net cash generated from operating activities | 891,287 | 4,557,892 |
| Net cash used in investing activities | 1,271,197 | (4,278,372) |
| Net cash generated from financing activities | (1,257,434) | (734,629) |
| Net decrease in cash and cash equivalents | 905,050 | (455,109) |
| Net foreign exchange differences | 81,622 | 14,521 |
| Cash and cash equivalents beginning of year | 1,428,978 | 1,869,566 |
| Cash and cash equivalents end of year | 2,415,650 | 1,428,978 |

NOTES TO THE SUMMARISED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2009

(Expressed in Trinidad and Tobago Dollars)

1. Incorporation and business activities

The National Gas Company of Trinidad and Tobago Limited and its subsidiaries ("the Group") is a diversified company primarily engaged in the purchase, transmission, distribution and sale of natural gas in Trinidad and Tobago. The Company is wholly owned by the Government of Trinidad and Tobago (GORTT). The Company's registered office is located at Orinoco Drive, Point Lisas Industrial Estate, Point Lisas, Trinidad.

The Group's subsidiaries, joint venture and associated company are as follows:

| Name of Company | Country of Incorporation | Percentage Equity Interest |
|--|--------------------------|----------------------------|
| Subsidiary Companies | | |
| National Energy Corporation of Trinidad and Tobago Limited (NEC) | Trinidad and Tobago | 100% |
| NGC Pipeline Company Limited | Trinidad and Tobago | 100% |
| Trinidad and Tobago LNG Limited | Trinidad and Tobago | 100% |
| La Brea Industrial Development Company Limited (LABIDCO) | Trinidad and Tobago | 83% |
| NGC NGL Company Limited | Trinidad and Tobago | 80% |
| NGC Trinidad and Tobago LNG Company Limited | Trinidad and Tobago | 62.16% |
| Associated Company | | |
| Trinidad and Tobago Marine Petroleum Company Limited (TRINTOMAR) | Trinidad and Tobago | 20% |
| Joint Venture | | |
| Phoenix Park Gas Processors Limited* | Trinidad and Tobago | 51% |
| Others | | |
| Atlantic 1 Holdings LLC** | United States of America | 10% |
| Atlantic LNG 4 Company of Trinidad and Tobago Unlimited*** | Trinidad and Tobago | 11.11% |

* owned by NGC NGL Company Limited

** owned by NGC Trinidad and Tobago LNG Company Limited

*** owned by Trinidad and Tobago LNG Limited

2. Stated capital

| | 2009 TT\$ | 2008 TT\$ |
|--|--------------|--------------|
| Authorized | | |
| An unlimited number of ordinary shares of no par value | | |
| Issued and fully paid | | |
| 1,752,848,000 ordinary shares of no par value | 1,752,848 | 1,752,848 |