

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2011

CHAIRMAN'S REPORT

I am pleased to report that the financial performance of The National Gas Company of Trinidad and Tobago Limited (NGC) for 2011 shows sales turnover of TT\$19 billion and after tax profits of TT\$4.6 billion.

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. NGC continued its infrastructure development works to expand its offshore and onshore pipeline network.

During 2011 the Company completed the construction of the North Eastern Offshore Pipeline which originates from BHP Billiton's facility in Block 2 (c) off the north-east coast of Trinidad and connects to NGC's existing pipeline network to the south. The line will provide transportation capacity for new gas supplies from BHP Billiton and is sized to have additional capacity for other suppliers of gas operating off the north-east coast.

I am further pleased to advise that NGC has maintained its international reputation by having its credit rating reconfirmed by international and regional rating agencies: Standard & Poor's – A-, Moody's – Baa1 and CariCRIS – Cari AAA.



R.C. Chadeesingh
Deputy Chairman

INDEPENDENT AUDITORS REPORT

The accompanying summary consolidated financial statements, which comprise the consolidated statement of financial position as at 31 December 2011 and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and the related notes, are derived from the audited financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries (the "Group") for the year ended 31 December 2011. We expressed an unmodified audit opinion on those financial statements in our report dated 30 April 2012. Those financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements with the basis of criteria established by management as described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries for the year ended 31 December 2011 are consistent, in all material respects, with those financial statements, on the basis of management's established criteria described in Note 1.



Ernst & Young
Port of Spain
Trinidad
30 April 2012

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

	2011 \$'000	2010 \$'000
Asset		
Non-Current Assets	17,918,017	17,431,729
Current Assets	17,179,545	13,335,711
Total Assets	35,097,562	30,767,440
Equity and Liabilities		
Stated Capital	1,855,266	1,855,266
Reserves	3,169,611	2,637,681
Retained Earnings	18,433,495	14,966,743
Equity attributable to:		
- Equity holders of the Parent	23,458,372	19,459,690
- Minority Interests	524,416	440,154
Total Equity	23,982,788	19,899,844
Non-Current Liabilities	6,324,218	5,921,743
Current Liabilities	4,790,556	4,945,853
Total Equity and Liabilities	35,097,562	30,767,440

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Expressed in Trinidad and Tobago dollars)

	2011 \$'000	2010 \$'000
Sales	18,994,360	14,166,966
Gross profit	5,420,357	3,602,996
Other operating income	372,211	112,403
Interest and other investment income	712,479	702,896
Share of income from joint venture	1,053,778	794,271
Administrative, maintenance and general expenses	(822,245)	(1,192,780)
Finance costs	(277,715)	(381,741)
Other	(41,880)	(337,656)
Profit before tax	6,416,985	3,300,389
Income tax expense	(1,812,114)	(1,206,941)
Profit for the year	4,604,871	2,093,448
Other comprehensive income		
Revaluation of pipeline (net of deferred tax)	-	1,024,831
Available-for-sale financial assets	473,040	196,852
Foreign currency translation	101,192	62,251
Other comprehensive income for the year, net of tax	574,232	1,283,934
Total comprehensive income for the year	5,179,103	3,377,382
Attributable to:		
- Equity holders of the Parent	4,913,682	3,164,590
- Minority interests	265,421	212,792
	5,179,103	3,377,382



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

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December, 2011

(continued)

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN 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 2010										
Balance at 1 January 2010	1,752,848	102,418	438,192	942,812	13,458,830	16,695,100	333,610	17,028,710		
Total comprehensive income for the year	–	–	–	1,281,096	1,883,494	3,164,590	212,792	3,377,382		
Transfer of depreciation for offshore plant and equipment and pipelines	–	–	–	(24,419)	24,419	–	–	–		
Dividends	–	–	–	–	(400,000)	(400,000)	(106,248)	(506,248)		
Capital subscribed	102,418	(102,418)	–	–	–	–	–	–		
Balance as at 31 December 2010	<u>1,855,266</u>	<u>–</u>	<u>438,192</u>	<u>2,199,489</u>	<u>14,966,743</u>	<u>19,459,690</u>	<u>440,154</u>	<u>19,899,844</u>		
Year ended 31 December 2011										
Balance at 1 January 2011	1,855,266	–	438,192	2,199,489	14,966,743	19,459,690	440,154	19,899,844		
Total comprehensive income for the year	–	–	–	571,473	4,342,209	4,913,682	265,421	5,179,103		
Transfer of depreciation for offshore plant and equipment and pipelines	–	–	–	(39,543)	39,543	–	–	–		
Dividends	–	–	–	–	(915,000)	(915,000)	(181,159)	(1,096,159)		
Balance as at 31 December 2011	<u>1,855,266</u>	<u>–</u>	<u>438,192</u>	<u>2,731,419</u>	<u>18,433,495</u>	<u>23,458,372</u>	<u>524,416</u>	<u>23,982,788</u>		

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS (Expressed in Trinidad and Tobago Dollars)

	2011 \$'000	2010 \$'000
Cash flows from operating activities		
Profit before tax	6,416,985	3,300,389
Adjustment for non-cash items	(884,760)	(21,904)
Operating profit before working capital changes	5,532,225	3,278,485
Changes in working capital	(1,058,358)	139,811
Cash generated from operations	4,473,867	3,418,296
Net taxation, interest and pension contributions paid	(1,128,789)	(1,447,104)
Net cash generated from operating activities	3,345,078	1,971,192
Net cash generated from/(used in) investing activities	1,629,114	(211,104)
Net cash used in financing activities	(1,228,384)	(708,073)
Net increase in cash and cash equivalents	3,745,808	1,052,015
Net foreign exchange differences	13,295	12,946
Cash and cash equivalents beginning of year	3,470,651	2,405,690
Cash and cash equivalents end of year	<u>7,229,754</u>	<u>3,470,651</u>

NOTE

1. Basis of preparation

The summary consolidated financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the summary consolidated statement of financial position, summary consolidated statement of comprehensive income, summary consolidated statement of changes in equity and summary consolidated statement of cash flows. These summary consolidated financial statements are derived from the audited consolidated financial statements of The National Gas Company of Trinidad & Tobago Limited and its subsidiaries for the year ended 31 December 2011 prepared in accordance with International Financial Reporting Standards.