



NGC CNG
Company Limited

A subsidiary of The National Gas Company
of Trinidad and Tobago Limited

THE FORMAL OPENING OF THE DIEGO MARTIN SERVICE STATION

SPEECH DELIVERED BY MR. GERRY C. BROOKS

CHAIRMAN OF NGC GROUP OF COMPANIES

OCTOBER 31ST 2017

SALUTATIONS

GOOD EVENING ALL AND WELCOME TO THE FORMAL OPENING OF THE DIEGO MARTIN SERVICE STATION. MAY I OFFER OUR CONGRATULATIONS TO NATIONAL PETROLEUM MARKETING COMPANY, NGC CNG AND TO ALL STAKEHOLDERS INVOLVED WITH THE CONSTRUCTION AND OPENING OF THIS NEW MULTI-FUEL SERVICE STATION. TODAY MARKS ANOTHER IMPORTANT MILESTONE - THE DEEPENING OF CNG SERVICE IN THE NORTH WEST. IT IS THE LAUNCH OF THE 12TH STATION IN THE NGC CNG NETWORK AS WE MOVE STEADFASTLY TOWARDS OUR 30-STATION OBJECTIVE!

THIS DIEGO MARTIN STATION WILL SERVE A COMMUNITY OF 100,000 PERSONS INCLUSIVE OF MAXI TAXI DRIVERS, SCHOOL BUSES, THE PTSC NETWORK AND THE MOTORING PUBLIC. IT STRATEGICALLY SUPPORTS ITS SISTER STATION AT ST CHRISTOPHER'S WHICH WAS OPENED FIFTEEN MONTHS AGO. IT PROVIDES A CONVENIENT AND EFFECTIVE FUELING OPTION FOR THE MOTORING PUBLIC IN NORTH/WEST TRINIDAD.

AS CHAIRMAN OF THE NGC GROUP, IT IS MY PLEASURE TO REMIND YOU OF NGC CNG'S VISION AND MISSION WHICH IS TO TRANSITION MOTORISTS TO THE CNG OPTION, PROVIDING SAVINGS TO CUSTOMERS, A REDUCED SUBSIDY BURDEN TO

OUR COUNTRY AND A CLEANER ENVIRONMENT FOR OUR CITIZENS. FROM AN INITIAL BUDGET OF \$500M, OUR BOARD PROPOSES TO EXCEED THE ORIGINAL TARGETS WITH A REDUCED BUDGET OF \$321 MILLION. THE COUNTRY SAVES \$179 MILLION DOLLARS AND EXPANDS THE NETWORK FROM THE ORIGINAL PLAN OF 22 TO 30 STATIONS BY 2019.

WE ARE DOING MORE WITH LESS! WE WILL ALSO ENSURE THAT THE \$19.1B PREVIOUSLY SPENT IN FUEL SUBSIDY WILL BE SAVED AND REDIRECTED TO PRODUCTIVE GROWTH OF OUR ECONOMY.

THIS OPENING REPRESENTS THE 5TH STATION WHICH HAS BEEN COMMISSIONED IN THE LAST 12 MONTHS. THE LAST ONE WAS THE TUMPUNA NORTH STATION IN ARIMA WHICH WAS OPERATIONALIZED IN JUNE 2017. THIS STATION, LIKE OTHER PREVIOUS STATIONS, HAS BEEN COMPLETED WITHIN BUDGET. (REPEAT)

ALLOW ME TO PUT THE CNG ROLLOUT IN PROPER CONTEXT. THE ORIGINAL CNG PLAN CONCENTRATED ON EQUIPPING SUPPLY POINTS ONLY ALONG MAJOR ARTERIES AND URBAN AREAS. THE NGC TEAM SHARES THE VISION OF THE MINISTER OF ENERGY AND ENERGY INDUSTRIES, SENATOR THE HONOURABLE FRANKLIN KHAN, TO ENSURE THAT MAJOR ARTERIES AND REMOTE AREAS OF TRINIDAD AND TOBAGO ARE PROPERLY SERVICED. WE ARE EVALUATING THE

FEASIBILITY OF NEW AND REMOTE LOCATIONS, EVEN AS OUR SIGHTS ARE FIRMLY FIXED ON ANOTHER FIVE STATIONS IN MC BEAN COUVA, MUNROE ROAD ON THE SOUTHBOUND LANE OF THE URIAH BUTLER HIGHWAY, CYRUS ROAD EL SOCORRO, A REFURBISHED CHAGUANAS STATION AND RUSHWORTH ST SAN FERNANDO. THESE ARE SCHEDULED FOR OPENING IN QUARTER 4 2017 AND IN 2018. WE ARE ALSO EVALUATING SITES IN SANDRE GRANDE, PT FORTIN, RIO CLARO AND SANTA FLORA.

POSITIVELY, INCREASED SUPPLY ARCHITECTURE, STRATEGICALLY ROLLED OUT, IS BEING COMPLEMENTED BY EVER INCREASING NUMBERS OF DRIVERS SWITCHING TO CNG. SWITCHING JUST MAKES FINANCIAL SENSE. ALLOW ME TO SHARE A COUPLE EXAMPLES.

BASED ON THE CURRENT LIQUID FUEL PRICES OF \$3.41 PER LITRE FOR DIESEL, A MAXI TAXI OWNER WITH A SMALL VEHICLE, BETWEEN 15 TO 18 SEATS, POWERED BY DIESEL WOULD HAVE HAD AN ANNUAL FUEL BILL OF JUST UNDER 80 THOUSAND DOLLARS. IF YOU SWITCH TO CNG FROM DIESEL AND ASSUMING A 50% CNG SUBSTITUTION, YOUR FUEL BILL DROPS TO APPROXIMATELY 45 THOUSAND DOLLARS SAVING JUST UNDER 35 THOUSAND DOLLARS. IF THAT OWNER PAID 35 THOUSAND DOLLARS TO CONVERT FROM DIESEL TO CNG, THEIR

PAYBACK WOULD BE ONE YEAR. 35 THOUSAND OVER 4 YEARS IS 140 THOUSAND, THAT IS THE DOWNPAYMENT ON A HOUSE.

TAXIS AND PRIVATE OWNERS ALSO ENJOY SIMILAR SUBSTANTIAL SAVINGS...MAKE THE SWITCH. SPEAK TO OUR CNG TEAM HERE TODAY!CNG IS THE FUTURE!

IT IS THE CLEANEST, MOST EFFICIENT FUEL OPTION!

THESE SAVINGS ARE COMPOUNDED BY (1) A TAX REBATE OF UP TO TWENTY FIVE HUNDRED DOLLARS ON A TEN THOUSAND DOLLAR CONVERSION WITH YOUR TAX RETURN; (2) NO VAT AND (3) NO MOTOR VEHICLE TAX ON OEM CNG VEHICLES NEW AND UP TO TWO YEARS OLD. NGC CNG HAS ALSO INTRODUCED SEVERAL TAILOR-MADE INCENTIVES FOR THE HIGH MILEAGE MARKET SEGMENTS, WHICH MAKES THE SWITCH TO CNG EVEN MORE ATTRACTIVE. THE PAYBACK ON CONVERSIONS FREQUENTLY RANGES FROM EIGHT MONTHS TO LESS THAN A YEAR IN MANY CASES.

THE 2018 BUDGET HAS FURTHER REDUCED THE PURCHASE PRICE OF OEM CNG VEHICLES WITH AN ENGINE SIZE OF 1599CCS OR LESS BY THE REMOVAL OF IMPORT DUTY. IT IS OUR UNDERSTANDING THAT THE REMOVAL OF MVT AND VAT ON ENGINE SIZES OVER 1599CCS FOR OEM CNG VEHICLES APPLIES ONLY TO PRIVATE PASSENGER VEHICLES AND NOT TO COMMERCIAL/GOODS VEHICLES,

THEREFORE, MAXI TAXIS AND GOODS VEHICLES MAY NOT BE AFFECTED. WE ARE WORKING TO CLARIFY THAT.

WHERE ARE WE IN TERMS OF COMPARISON TO THE REST OF THE ENGLISH SPEAKING CARIBBEAN? BEFORE AND EVEN AFTER THE RECENT ADJUSTMENT IN FUEL PRICES, TRINIDAD AND TOBAGO STILL HAS THE LOWEST FUEL PRICES. BASED ON THE NEW PRICING, A 45 LITRE FILL UP WITH SUPER COSTS 26 DOLLARS AND TWENTY SEVEN CENTS US DOLLARS. THE NEXT LOWEST IS ST VINCENT AND THE GRENADINES AT US 38 DOLLARS AND TWENTY FIVE CENTS FOR A 45 LITRE FILL AND GUYANA AT 40 US DOLLARS. TRINIDAD AND TOBAGO STILL HAS THE LOWEST DIESEL PRICE IN THE CARIBBEAN. BASED ON THE NEW PRICE OF TT THREE DOLLARS AND 41 CENTS PER LITRE TT, AN 80 LITRE FILL WILL COST JUST OVER US FORTY DOLLARS. THE NEXT LOWEST DIESEL PRICE IN THE CARIBBEAN IS GUYANA AT SIXTY SIX US DOLLARS.

IN THE BUSINESS SECTOR, FUEL IS A SIGNIFICANT OPERATING COST FOR ALL INCLUDING THOSE IN RETAIL, DISTRIBUTION, AGRICULTURE OR MANUFACTURING. UNFORTUNATELY, TRINIDAD AND TOBAGO, DOES NOT HAVE THE FISCAL SPACE TO ACCOMMODATE SUBSIDIZED DIESEL AND FUEL PRICING.

THERE ARE SEVERAL OPTIONS TO IMPROVE YOUR EFFICIENCY TO PROTECT MARGINS.

ONE CRITICAL PILLAR IS TO EMBRACE CNG AS AN AFFORDABLE FUEL OPTION TO DRIVE COMPETITIVENESS. NGC CNG WILL BE AN ACTIVE, HELPFUL PARTNER!

NGC CNG IS EFFECTIVELY CREATING AN ENABLING CNG INDUSTRY. THIS INDUSTRY INCLUDES STATE AND PRIVATE SECTOR PARTNERS INCLUDING NATIONAL PETROLEUM, THE TRINIDAD AND TOBAGO BUREAU OF STANDARDS, NATIONAL ENERGY SKILLS CENTRE, UNIPET, CAR DEALERS, THE MAXI TAXI ASSOCIATION, PRIVATE SCHOOL TRANSPORT ASSOCIATION, TAXI DRIVERS AND THE CNG CONVERTERS. I THANK OUR INDUSTRY COLLEAGUES WHO HAVE PROVIDED TREMENDOUS SUPPORT. SEVERAL STATE-OWNED ENTERPRISES HAVE AND ARE ALREADY MIGRATING PART OF THEIR FLEET TO CNG; NP, PTSC, TSTT AND PETROTRIN. NGC IS AT 100% CNG. OUR MANAGEMENT TEAM IS IN DISCUSSION WITH SEVERAL OTHER ENTITIES TO SWITCH TO CNG.

NGC CNG IS TARGETING 19,500 HIGH-MILEAGE DRIVERS ACROSS THE COUNTRY TO CAPTURE 10% OF TOTAL FUEL SALES IN PHASE ONE OF THIS PROGRAMME. SINCE NGC CNG ACCELERATED OPERATIONS IN 2015, CONSERVATIVELY \$225

MILLION IN CNG ECONOMIC ACTIVITY HAS BEEN GENERATED IN THE FORM OF NEW VEHICLE SALES, CONSTRUCTION, CONVERSIONS AND ASSOCIATED SERVICES.

IN FACT, AT THE START OF THIS PROGRAMME IN 2014, YOU COULD NOT BUY A NEW OEM CNG VEHICLE OF ANY TYPE IN THIS COUNTRY.

TRINIDAD AND TOBAGO COMMITTED UNCONDITIONALLY TWO YEARS AGO AT THE HISTORIC UNITED NATIONS COP 21 CONFERENCE TO REDUCE ITS PUBLIC TRANSPORTATION EMISSIONS BY 30% OR ONE MILLION, SEVEN HUNDRED THOUSAND TONNES OF CO₂ BY DECEMBER 31ST 2030. THIS REDUCTION IS BASED IN LARGE MEASURE ON THE CNG PROGRAMME. CNG REDUCES CARBON EMISSIONS AND IS THE ONLY TECHNOLOGY WHICH CAN BE UTILISED WITH THE EXISTING STOCK OF VEHICLES TO REDUCE EMISSIONS.

REGIONALLY OUR CNG PROJECT IN T AND T HAS ATTRACTED THE ATTENTION OF TWO CARICOM PARTNERS - JAMAICA AND GUYANA. IN SEPTEMBER, NGC CNG HOSTED A VISITING DELEGATION FROM THE GUYANA ENERGY ASSOCIATION WHO WERE ON A FACT-FINDING MISSION. THEY OBSERVED OUR STATION NETWORK, MOBILE UNITS, CNG MAXIS AND VISITED A CNG CONVERTER, AS THEY START TO PLAN FOR A FUTURE INVOLVING NATURAL GAS. BOTH WANT TO

COLLABORATE FURTHER WITH THE NGC TO OBTAIN ADVICE, SUPPORT AND DEEPEN THE BUSINESS PARTNERSHIPS.

MAY I ALSO REASSURE MY FRIENDS IN TOBAGO, CNG IS COMING TO YOU IN 2018! WE HAVE BEEN PURSUING THE RELEVANT APPROVALS FOR A STATION AT COVE ESTATE. THERE IS ALSO A PROPOSAL CURRENTLY BEFORE THE MINISTRY OF ENERGY TO OPEN A CNG SIGNATURE STATION AT THE COUVA PREYSAL ROUNDABOUT THAT FEEDS INTO RIVULET ROAD. THIS WILL BE A STATE-OF-THE-ART SIGNATURE STATION AND WILL HAVE THE CAPACITY TO ACCOMMODATE ANY TYPE OF VEHICLE.

COLLEAGUES WE ARE ACTIVELY BUILDING AN INDUSTRY, CREATING BUSINESS AND OPPORTUNITY FOR ALL. FRIENDS, THE CNG STORY IS BOTH SIMPLE AND YET PROFOUND. IT IS A NATIONAL MOVEMENT. IT IS A MORE AFFORDABLE FUEL OPTION FOR THE COUNTRY, REDUCES THE 800 MILLION DOLLAR SUBSIDY AND WILL CREATE AN INDUSTRY.

IT IS THE STORY WHERE ONCE AGAIN, NGC CNG A HOMEGROWN COMPANY, PART OF A WIDER GROUP, WILL CONTINUE TO PLAY ITS PART IN NAVIGATING THE CURRENT ECONOMIC REALITIES BEFORE US, WHILE CONTRIBUTING

ECONOMICALLY AND ENVIRONMENTALLY TO THE PEOPLE OF TRINIDAD AND TOBAGO.

AGAIN, I THANK YOU FOR YOUR PRESENCE HERE TODAY, YOUR SUPPORT, THE MINISTER FOR HIS SUPPORT AND EXTEND CONGRATULATIONS TO ALL INVOLVED IN THE COMMISSIONING OF THIS STATION.

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