

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

CHAIRMAN'S REPORT

I am pleased to report that The National Gas Company of Trinidad and Tobago Limited (NGC) and its subsidiaries (the Group) had another successful year in 2017. The Group recorded a profit after tax of \$989 million for 2017, which was a 37.3% or \$269 million increase above the 2016 reported profit after tax of \$721 million.

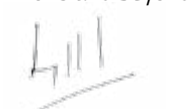
Revenue increased by \$2.977 billion from \$10.903 billion in 2016 to reach \$13.881 billion. Increases in revenue were propelled by higher ammonia and methanol prices of 2% and 61% respectively. This had a positive impact on gross profit which increased by 66% or \$1.364 billion to \$3.421 billion in 2017. These increases in gross profit were partially eroded by increased taxation and higher expenses.

The Board and Management have proactively taken steps to re-engineer the Group to ensure sustained growth and improved profitability while supporting industry wide development. In the context of the current natural gas curtailment environment, the NGC's most important imperative was to re-establish confidence in the adequacy and reliability of gas supplies to meet the current and future requirements of downstream customers. The coming on stream of two major supply projects - Juniper and Trinidad Onshore Compression Project (TROC), have provided greater short and medium-term supply certainty. There have also been network optimisation efforts with increased collaboration with upstream suppliers and downstream customers to increase stability. These initiatives have proven extremely beneficial to the sector and the Group. NGC has continued in its role as aggregator and it recently signed an agreement in relation to gas resources in Grenada and is working closely with other regional Governments. Parties are also at an advanced

stage on "across the border negotiations" on the Dragon Field in conjunction with the Ministry of Energy and Energy Industries and the Office of the Prime Minister. Positively, engineering work is progressing on the first marginal field (Block 1A) with consortium partners. Safety and Asset Integrity continue to be a top priority to ensure a solid technical foundation for the future.

The Group's Strategic Plan 2017 - 2020 was revisited and further refined. In pursuit of our vision to be a profitable globally integrated organisation growing at 12% Compound Annual Growth Rate, our strategy will continue to focus on "operating excellence", organic and inorganic growth, the seeds of which were planted in 2016. NGC's strategy includes the internationalisation of the Company's business beyond the aggregator, merchant/transporter role inside and outside T&T borders. NGC is also seeking upstream and downstream opportunities to ensure it is appropriately involved in all aspects of the value chain.

In 2017, the Group was also able to successfully execute the Additional Public Offering (APO) which has allowed broad based national ownership of energy assets by nationals and provided excellent returns for individual and institutional investors. The Company is deepening the foundation for enhanced profitability and sustainability. The Board remains cautiously optimistic about the growth prospects of the Energy sector in Trinidad and Tobago in 2018 and beyond.



Gerry C. Brooks
Chairman

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago dollars)

	2017 \$'000	2016 \$'000
Assets		
Non-current assets	27,528,503	29,477,203
Current assets	15,907,688	12,703,955
Total assets	43,436,191	42,181,158
Equity and Liabilities		
Share capital	1,855,266	1,855,266
Reserve fund	438,192	438,192
Other reserves	5,382,847	5,425,791
Retained earnings	16,550,972	17,008,162
Total equity attributable to owners of the parent	24,227,277	24,727,411
Non-controlling interest	2,786,415	2,106,648
Total equity	27,013,692	26,834,059
Non-current liabilities	9,582,222	10,382,501
Current liabilities	6,840,277	4,964,598
Total equity and liabilities	43,436,191	42,181,158

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
The National Gas Company of
Trinidad and Tobago Limited

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2017, the summary consolidated statement of profit or loss and other comprehensive income, summary consolidated statement of changes in equity, summary consolidated statement of cash flows for the year then ended and related notes are derived from the audited consolidated financial statements of The National Gas Company of Trinidad and Tobago Limited and its subsidiaries (the Group) for the year ended 31 December 2017. In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis of management's established criteria described in Note 1.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards applied in the preparation of the audited consolidated financial statements of the Group. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Consolidated Financial Statements and Our Report Thereon

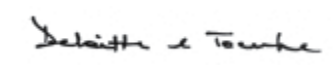
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 21 March 2018.

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements on the basis described in Note 1.

Auditor's Responsibility

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



Deloitte & Touche
Derek Mohammed (ICATT #864)
Port of Spain
Trinidad
6 April 2018

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago dollars)

	2017 \$'000	2016 \$'000
Sales	13,880,519	10,903,340
Gross profit	3,421,383	2,056,559
Other operating income	359,253	410,216
Interest, investment and other income	536,930	480,206
Administrative, maintenance & general expenses	(1,642,139)	(1,192,656)
Impairment expense	(238,953)	(202,537)
Finance costs	(146,421)	(240,217)
Share of loss from associate	(10,138)	(16,866)
Other expenses	6,026	(26,934)
Loss of foreign exchange	(34,265)	(47,261)
Profit before tax	2,251,676	1,220,510
Income tax expense	(1,262,476)	(499,817)
Profit for the year after taxation	989,200	720,693
Other comprehensive income, net of taxes:		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of net defined benefit liability	11,035	(17,628)
Income tax relating to net defined benefit liability	(3,862)	6,170
Revaluation surplus on pipeline (net of income tax)	-	2,207,474
Foreign currency translation differences	59,092	1,092,271
	66,265	3,288,287
Items that may be reclassified subsequently to profit or loss		
Net unrealised loss on available-for-sale financial assets	(18,501)	(513,571)
Total other comprehensive income for the year, net of tax	47,764	2,774,716
Total comprehensive income for the year	1,036,964	3,495,409
Attributable to:		
- Owners of the parent	851,338	3,334,908
- Non-controlling interest	185,626	160,501
	1,036,964	3,495,409

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Expressed in Trinidad and Tobago dollars)

	Attributable to Equity Holders of the Parent				Total \$'000	Non-controlling interests \$'000	Total equity \$'000
	Shared capital \$'000	Reserve fund \$'000	Other reserves \$'000	Retained earnings \$'000			
Year ended 31 December 2017							
Balance at 1 January 2017	1,855,266	438,192	5,425,791	17,008,162	24,727,411	2,106,648	26,834,059
Profit for the year after taxation	-	-	-	805,617	805,617	183,583	989,200
Other comprehensive income for the year, net of tax	-	-	38,548	7,173	45,721	2,043	47,764
Transfer of depreciation for offshore plant and equipment and pipelines	-	-	(81,492)	81,492	-	-	-
Disposal of partial interest in subsidiary	-	-	-	70,736	70,736	720,751	791,487
Dividends	-	-	-	(1,422,208)	(1,422,208)	(226,610)	(1,648,818)
Balance as at 31 December 2017	1,855,266	438,192	5,382,847	16,550,972	24,227,277	2,786,415	27,013,692
Year ended 31 December 2016							
Balance at 1 January 2016	1,855,266	438,192	2,720,150	17,788,895	22,802,503	2,169,237	24,971,740
Profit for the year after taxation	-	-	-	599,090	599,090	121,603	720,693
Other comprehensive income for the year, net of tax	-	-	2,747,276	(11,458)	2,735,818	38,898	2,774,716
Transfer of depreciation for offshore plant and equipment and pipelines	-	-	(41,635)	41,635	-	-	-
Dividends	-	-	-	(1,410,000)	(1,410,000)	(223,090)	(1,633,090)
Balance as at 31 December 2016	1,855,266	438,192	5,425,791	17,008,162	24,727,411	2,106,648	26,834,059

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago dollars)

	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Profit before tax	2,251,676	1,220,510
Adjustment for non-cash items	919,136	739,714
Operating profit before working capital changes	3,170,812	1,960,224
Changes in working capital	(652,280)	(355,758)
Cash generated from operations	2,518,532	1,604,466
Net taxation, interest and pension contributions paid	(670,591)	(376,044)
Net cash generated from operating activities	1,847,941	1,228,422
Net cash generated from/(used in) investing activities	1,847,654	(863,923)
Net cash used in financing activities	(1,831,933)	(1,987,944)
Net increase/(decrease) in cash and cash equivalents	1,863,662	(1,623,445)
Net foreign exchange differences	19,071	(198,128)
Cash and cash equivalents beginning of year	4,551,557	6,373,130
Cash and cash equivalents end of year	6,434,290	4,551,557

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (Expressed in Trinidad and Tobago dollars)

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 profit or loss and other 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 and Tobago Limited and its subsidiaries for the year ended 31 December 2017 prepared in accordance with International Financial Reporting Standards.