



THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

MEDIA RELEASE

NGC Chairman dares business leaders to be transformative!

July 4, 2018

Delivering a powerful address on the need to transform, NGC Group Chairman, Gerry C. Brooks, shared an energy sector perspective, including a focus on NGC repositioning its business in the context of a changing regional and global ecosystem. Mr. Brooks was part of a distinguished panel of guests including Senator the Honourable Paula Gopee-Scoon, Minister of Trade and Industry, at the Trinidad and Tobago Chamber Industry and Commerce's (TTIC) Business Outlook breakfast meeting on Wednesday 27th June.

With a focus on energy and the economy the NGC Chairman emphasised that there are green shoots of growth in our economy underpinned by a rebound in the energy sector. That rebound is being propelled by increased production of natural gas which is projected to increase to 3.8bcf in 2018, 3.9bcf in 2019 and 4.05 bcf in 2020. This enhanced production is being supported by improved pricing for ammonia, methanol and LNG from the nadir (lows) of 2016. This augers well for foreign direct investment (FDI) improvements, USD earnings, and a trickle-down effect through the economy. Increased income from the new royalty gas will also supplement both GDP and USD earnings in 2018 and beyond.

He emphasised that Trinidad and Tobago businesses must remain disciplined and focused to ensure competitiveness and improved productivity. He urged businessmen to leverage unused capacity in their manufacturing plants to find new markets and to explore the several partial scope and bilateral treaties with Cuba, Dominican Republic, Guatemala and other territories to improve export sales and earnings, recommending that they capitalise on the recently created Exim facility and other recently created government initiatives.

Mr Brooks provided a comprehensive economic review, noting that several important country indicators were poised to improve in 2018 with GDP expected to turn positive at approximately 1%. He attributed NGC's improved profitability of 37% over 2017 figures to a focus on cost containment, productivity and margin management, leadership and improved market pricing. The NGC Group is also actively and deliberately leveraging group synergies whilst improving asset integrity.

Referring to the transformative approach to its contract architecture and framework, the Chairman reaffirmed that 'a secure supply of gas is our main imperative as a domestic aggregator'. He noted that excellent progress has been made in increasing supply as well as on streamlining contract provisions, completing negotiations and resolving the inherited \$4.7B in claims. He reaffirmed that the gas supply agreement signed with GPG in Grenada is progressing well with current exploration work taking place in the Nutmeg field. He also confirmed the

progress on Dragon (Mariscal Basin) and Loran-Manatee, both of which can potentially yield 13tcf of gas.

Mr Brooks reiterated the Board and Management's determination to actively seek opportunities beyond the country's shores in its quest to secure consistently satisfactory gas supplies while leveraging considerable gas expertise and broad sector service capability for the benefit of our CSME neighbours. This expertise is also being made available to Guyana who recently enjoyed its eighth oil find with production likely to commence in the first quarter of 2020. Production is likely to range from 120,000 bbs and increase to 500,000 bbs by 2023. He affirmed that Maritime investments in Trinidad and Tobago's south-west peninsula and more specifically in La Brea, Brighton and Galeota leave us well positioned to produce a range of logistical and energy services, and accelerate recovery of proven reserves in Guyana.

Deliberate diversification and expansion in the value chain is a strategic imperative of NGC which will reduce volatility and strengthen its earning capacity. Mr. Brooks provided an update on the recently executed Technical Services Agreement with Mozambique in May 2018, following an earlier Memorandum of Understanding between ENH and NGC. He encouraged businesses to follow NGC's lead in 'transformative thinking' to ensure sustainable growth. One critical lever he emphasised was digital transformation to obtain a competitive advantage in order to continually upscale and transform business. He urged businessmen to be deeply introspective and utilize drone technology, blockchain technology, predictive analytics, and artificial intelligence in their businesses as well as in Government. Mr. Brooks indicated that NGC is currently engaged in using many of the technologies mentioned above including embarking on e-procurement to optimise value and returns.

In closing Mr Brooks noted that the infrastructure capex spend of NGC in the next two years would exceed TT\$2B which will provide considerable commercial opportunity for the business sector. Additionally, US\$3B of foreign direct investment is under active consideration with a view to locating new plants at estates including Union Industrial Estate in La Brea. The Chairman cautioned that while the prospects for these projects are encouraging, it is imperative that businesses break the cycle of dependence on the state and look forward to true and independent entrepreneurship whilst creating value in external economies.

"Dare to be transformative!" was the Chairman's call to action as he encouraged businesses to change their current business models and take bold, yet calculated risks necessary for transformative growth. He expressed NGC's commitment to continue its work in growing the economy and building a brighter future.



L to R: Mr. Reyaz Ahamad, Senior Vice President – TTCIC; Mr. Travis Ali, Executive Director- Advance Foam Limited; Mr. Nigel Edwards, Executive Director – Trinidad and Tobago Unit Trust Corporation; Mr. Ronald Hinds, President – TTCIC; Senator the Honourable Paula Gopee-Scoon – Minister of Trade and Industry; Mr. Gerry C. Brook, Chairman – NGC Group; Mr. Gabriel Faria, CEO – TTCIC

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