



**ttEngage Feature Address**  
**by:**  
**Conrad Enill –**  
**Chairman of the NGC Group of Companies**

Our Colleagues from the Ministry of Energy and Energy Industries

My fellow directors, and other presidents and staff of the NGC Group of Companies

Dr Vernon Paltoo President of the National Energy Corporation

Dr. Thackwray Driver - President and CEO of the Energy Chamber

Industry partners and other executives in our industry

Our friends in the Media

Distinguished Ladies and Gentlemen.....

Good morning

I am extremely delighted to be here today, to participate in the launch of yet another project which has engaged the attention of the dedicated men and women of the NGC Group of companies who work on behalf of the people of Trinidad and Tobago in delivering energy projects.

I think that it is important that we remember that our group is owned by the people of Trinidad and Tobago and therefore we act as trustees on their behalf in managing the affairs of energy in the context of new global realities. Our focus therefore continues to be to ensure that we create the best results for the people of Trinidad and Tobago.

I am happy to report therefore to the people of Trinidad and Tobago that we have in some measure

achieved success despite very extraordinary circumstances.

I am happy for this opportunity today to share with you some of our thinking in making our group relevant to the new reality as well as the new Trinidad and Tobago.

NGC was established in 1975 to purchase, sell and transport natural gas to the petrochemical and light industrial sectors. In 1983 its role was expanded to include the production of gas through the collection and compression of low pressure associated gas from oil field operations. Between 1992 and 2000 in an effort to diversify gas supply and by inviting new players into upstream gas production NGC performed the role of gas aggregator. This business model worked well and then there was a structural shift in our global energy business. This change in the structure of the natural gas global business is important in understanding our challenges today. Our

challenge is that although the nature of commodity prices is cyclical, the impact on Trinidad and Tobago may be less than desirable if we do not act and change our way of doing business.

The reason for this less than desirable impact is due to the discovery and commercialization of Shale resources in the US markets which changed the architecture of the US Natural Gas industry, taking it from a net importer of LNG to augment its natural gas shortage to a position of net exporter, given the natural gas resource base from Shale production. The abundance of gas supplies, coupled with a decline in US domestic natural gas prices, has propelled natural gas exports ,both via pipeline to Mexico and to overseas markets by LNG tankers. The impact of these structural shifts in the US natural gas industry has led to a resurgence of their domestic gas based petrochemical industry and LNG production

facilities. This has strengthened the US influence in global energy trade.

These events were expected to impact the export markets for Ammonia, Methanol and LNG produced from Trinidad and Tobago. Under these new conditions businesses that are not efficient and do not have enough capital resources would be at risk to continue operations. This is an ever-present danger to the stability of our sector, and which is engaging the attention of our directors and management.

In additional recent changes in disclosures from 2019 through new reporting standards will impact the results of organizations differently. By way of example, if as an organization we did everything properly and efficiently, but our customers do not have the money to pay us on time ,then the standard requires that we account for that non-payment in the current year .The efforts of all of us therefore as a system is required or else weak cash flows will cause

some institutions to be results-challenged .This is also a change in structure.

In understanding these new changes in the way and in responding to the new global structure the Group has begun the process of change for relevance. The National Gas Company of Trinidad and Tobago is the parent of the National Energy Corporation (National Energy), Phoenix Park Gas Processors Limited (PPGPL) and 25 wholly or partially owned subsidiaries and non-operated ventures in energy and related businesses. It contributes significantly to the income stream of Government by means of taxes and dividends, and even at lower levels of contribution it continues to provide subsidy support to the people of Trinidad and Tobago in the maintenance of our reasonable and subsidized prices to electricity as well as to our light industrial sector .

The vision of our group today is:

“To be a global leader in the development of sustainable energy related business “.

Our mission is:

“ To create exceptional value from natural gas and its related business through our people and strategic partnerships.

As we look to the future we believe that our success can only be achieved by having the best resources to guide our delivery based on the changing global dynamic.

Our group for the foreseeable future and after much deliberation on a way forward will focus on 7 important drivers which I would like to share with you.

These are:

- 1.Sustainability of the Petrochemical Sector
- 2.Value creation across the Gas Chain
- 3.Diversification and Growth
- 4.Strategic Partnerships

5. Shaping the industry and region

6. National contribution through sustainable development

7. Technology

And

Increased communication.

Our efforts continue with our partners in the petchem sector to work with them to provide the best solutions during these difficult times. We believe that despite the challenges we will be able to maintain some level of sustainability as we work through these issues.

Over the last four years, we have signed several gas sales contracts with various up-streamers. They include agreements with bpTT and EOG in June of 2017, De Novo Energy Limited in August 2018, and most recently a Domestic Gas Sales Contract with Shell T&T in November 2019. This latest contract

arrangement will result in 20 to 30 percent of the gas produced by Shell being supplied to the local market.

Ladies and gentlemen, the result of these successful negotiations will be a notable improvement in the gas-supply outlook for our domestic consumers. This alone however will not solve the problems, our approach as a country to markets and opportunities is also required.

Over the last 18 months we have been in active negotiations with the LIC sector whose contracts expired in December 2018. Since that time we have continued to provide gas to all LIC customers despite being in negotiations with them to conclude a 5 year contract for the 2019-2023 period. While we are still engaged in discussion with them, I am prepared to advise that based on our current offer our group would still have to subsidize this sector for some time. According to information available to me at this time the companies are discussing these matters and we

are awaiting their responses. Our commitment continues to be sector sustainability but it must be on both sides.

We are also realigning elements of our group to achieve synergies to reduce costs, create greater accountability and we are contributing to the current initiative of upstream portfolio optimization.

We are also looking at diversification and we are taking a closer look at LNG and looking at our marketing and trading.

It is clear to us that in the future a major strength of the business will be strong and diversified partners. To this end we are pursuing opportunities in China, Mozambique, Ghana, Guyana and the wider Caribbean. In 2019, we participated in several international conferences and events aimed at marketing the various products and services available within the Group.

We have registered and commenced the operation of National Energy (Guyana) Incorporated – a Guyanese company that will advance the Group’s business in that jurisdiction.

We finalized a partnership with China that will advance the sale of LNG to that country.

We have embarked on a gas- processing agreement with *Ghana Gas*. We have also begun to train international plant operators at the PPGPL facility. These are but a few of the projects that are being pursued across our Group.

We believe that we must contribute to shaping the industry and by example we have signed as a participant in the Energy Chambers Energy Efficient Charter.

As an organization we contribute to national sustainable development. We are doing this through our involvement with institutions like the Police Youth

Clubs, Youth Training and Employment Partnership Programme, Steelband, MIC Institute of Technology, and the National Energy Skills Center to name a few.

Technology is a disruptor, but it can also be a tool to provide superior results, through increased productivity. We are engaging in systems that will provide us with real time data, we are investing in drone technology, E auctions and of course we are here today at the launch of ttengage.

I believe that this solution that we are presenting today through ttengage is very much aligned to our corporate mission.

Ladies and gentlemen, ttEngage, is a solution-based product. As the investor-sourcing and facilitation arm of the NGC Group, National Energy identified a problem that its customers have been experiencing, and we have developed a product specifically geared towards solving that problem.

## **Current challenge/problem**

But what is this problem?

In 2019, Trinidad and Tobago fell one place on the Global Competitiveness Index, ranking 79<sup>th</sup> out of 141 countries. This rank means that Trinidad and Tobago, as a country, has become less competitive in the global arena.

Despite dramatic changes in the local and international investment landscape, we believe that relevant, and timely improvements to the way we do business in the energy sector, can, and will improve this country's economic outlook.

## **Leveraging our Experience**

Our history and experience have taught us various lessons, and we have now transferred that knowledge and experience into a software that will support

investment-facilitation in the local energy-based sector.

This platform, will bring together information from our various stakeholders, in one place. In the circumstances, we all have a role to play in the success of this project.

Ladies and gentlemen, the NGC Group continues to be crucial to the development, promotion and expansion of this country's natural gas industry.

We are therefore excited at the favourable prospects these decisions have afforded us. They are prospects that should enhance the Group's medium and long-term financial performance for the benefit of the people of Trinidad and Tobago.

As we continue to achieve our mandate with the goal of transforming the local gas industry while utilising our natural resources, we enter the future with confidence and assurance that as a group ,as a

people, we will continue to work towards improving the lives of the people of Trinidad and Tobago, which is our ultimate objective.

On behalf of our Board and Management ,I would like to take this opportunity to say thank you to the men and women in our group and our colleagues in the industry who I believe will guide us through these difficult but in my view exciting times.

Thank you.