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Media Release

NGC signs Framework Agreement with Touchstone and Heritage for new gas supply

Trinidad and Tobago has new cause for optimism in its gas supply outlook. NGC signed a Framework Agreement with Primera Oil and Gas Limited - a wholly owned subsidiary of Touchstone Exploration Inc. (Touchstone) - and Heritage Petroleum Company Limited (Heritage), to develop plans and foster a strategic partnership with respect to the development, sale and purchase of natural gas and natural gas liquids produced from the Ortoire Block, onshore South East Trinidad.

Heritage and Touchstone are Joint Venture partners in the Ortoire Onshore Block and have made gas discoveries in two wells, Coho and Cascadura. The Coho-1 well is a natural gas discovery, and initial production rates are expected to be 10-12 MMscf/d. Work is progressing to bring this well on stream in the third quarter of 2020. Meanwhile, initial flowback testing on the Cascadura-1ST1 well has confirmed the well to be a significant liquids-rich gas discovery. Exploration work continues with a further two prospects still to be drilled.

The Framework Agreement marks an important step towards boosting Trinidad and Tobago's gas supply to existing markets. In a broader context, this Agreement also represents a significant development for Trinidad and Tobago, as it signals the first commercial gas production from onshore fields in nearly two decades.

Commenting on the importance of this Agreement, NGC President Mark Loquan noted:

“In the context of world events and the domestic gas scenario, this Agreement and the considerable potential of the underlying asset are welcome good news for our energy sector. Credit must be given to all our teams, across all three parties, who have been driving the effort to ready this Agreement, even amidst prevailing challenges. NGC has been aggressively pursuing new sources of gas as part of our growth strategy, and this development adds another measure of stability to supply from a promising new prospect. We are now set to open a new chapter in the history of onshore natural gas production.”

Paul Baay - CEO of Touchstone, which is based in Calgary - commented:

“This Framework Agreement is a very exciting opportunity for us to partner with two prominent Trinidad organisations to fully develop our existing and future natural gas discoveries on our Ortoire exploration property. NGC brings the vast understanding of gas infrastructure to the project and Heritage brings

technical knowledge to support the Touchstone team. This Framework Agreement is a key step to a timely maximisation of this world class asset.”

CEO of Heritage Arlene Chow added:

“We are really excited to have achieved this milestone with Touchstone as operator since the last onshore gas discovery was in 2002, not too far away in the Carapal Ridge 1 well. The Coho, Cascadura and other developments from the Ortoire Block are important to our near and medium-term growth strategy in Trinidad and Tobago and to our commitment to help secure the country’s energy future and the creation of sustainable jobs. In this regard, we value the continued strong relationship with our operator Touchstone and NGC to achieve this strategic vision.”

With this Agreement now in place, the next steps will be conclusion of detailed Gas Supply Agreement Terms and the development of the Coho and Cascadura fields.

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