



THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED
Media Release

NGC continues to focus on sustainability for the future despite reduced performance in the first half 2020.

October 30, 2020

In a year of global economic upheaval and a difficult energy climate worldwide due to the Covid-19 pandemic, The NGC Group of Companies has recorded a loss after tax of \$316.2 million for the first half of 2020. This represents a decrease of 296% or \$477.3 million from the six-month profit for 2019 of \$161.1 million. Revenues decreased by 22.9% or \$1.74 billion from \$7.61 billion for the six months ended June 2019 to \$5.87 billion for the six months to June 2020.

Margins continue to be adversely affected by the volatility in the commodity markets with prices decreasing by 33%, 9% and 44% for Methanol, Ammonia, and Natural Gas Liquids respectively in the reporting period. Group Chairman Conrad Enill, noted that this decline in margins, as well as impairment provisions on assets associated with changes in market outlook, legacy issues, and non-payment for gas sales by NGC's largest customer, have caused the overall results to be negative and contributed towards a tightening of NGC's liquidity position. These results notwithstanding, The NGC Group retains an optimistic outlook for growth and profitability over the medium term. This is due to an uptick in upstream development activity, strategic partnerships and acquisitions, investments aimed at building the technology platform of the Group, and a sharpened focus on cost management and value generation initiatives.

Mr. Enill stated that in 2020, NGC signed a Framework Agreement with Touchstone Exploration Inc. and Heritage Petroleum Company Limited for the development, sale and purchase of all-natural gas and natural gas liquids produced from the Ortoire Block. Detailed discussions are in progress for the execution of a fully termed gas supply contract. NGC also executed a new gas supply contract with BHP Billiton for the supply of gas from Block 3(a) which is under development, with first gas expected in fourth quarter 2021. Through Phoenix Park Gas Processors Limited (PPGPL), the Group has also continued with its internationalisation thrust by acquiring the NGL marketing assets of Twin Eagle Liquids Marketing LLC based in Houston. The performance of this asset has been positive and is expected to favourably impact the results of PPGPL and the NGC Group.

The Group's outlook is also buoyed by the success of business continuity efforts during the COVID-19 pandemic. Not only was the Group able to sustain delivery of its critical services to the petrochemical, manufacturing, and power generation sectors, but changes effected during

the first half of 2020 have helped create a solid platform for future innovation and improvement.

These have included process improvements in the areas of Supply Chain Management, HSSE, Operations and Communications. Across the Group, people are working smarter, making greater use of available digital tools to streamline tasks and increase efficiency. This in turn is helping to build a leaner and more agile organisation.

The NGC Group remains committed to operational excellence, despite market challenges. Management and staff are working collaboratively and with great determination to achieve the strategic goals of the Group, for the ultimate benefit of the wider national public.

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