



Trinidad and Tobago NGL Limited

CHAIRMAN'S STATEMENT

Trinidad and Tobago NGL Limited's ('TTNGL's'/'the Company's') performance up to June 2023 has proven to be subdued as the Company's underlying asset, Phoenix Park Gas Processors Limited ('PPGPL') navigates through operational matters and external market exigencies. For the six months ended 30 June 2023, TTNGL recorded an after-tax loss of TT\$2.8 million (2022: TT\$117.5 million after-tax profit). Loss per share for the review period was TT\$0.02.

This performance was primarily derived from TTNGL's share of loss from its investment in PPGPL. For the first half of 2023, PPGPL recorded a loss after tax of US\$0.8 million, which was primarily driven by lower sales volumes and lower recognised Mont Belvieu natural gas liquids ('NGLs') prices. NGL prices continued their declining trend in 2023 and were 37.7% lower than prices recognised in the comparable 2022 period. Prices were lower year-to-date primarily because of weaker winter NGL demand caused by a warmer

than expected US winter. Prices were further dampened by increasing US NGL production and falling exports. These factors have kept US NGL inventories above the five-year average and exerted downward pressure on prices. It is important to note that over 60% of PPGPL's sales revenue variance for 2023 was a result of lower product prices.

NGL sales volumes in the Trinidad market up to June 2023 were 39.7% below 2022, driven by lower production. NGL production from gas processing was lower by 35.1% compared to 2022 as a result of lower gas volumes received by PPGPL for processing. This was caused by extended downtime to facilitate planned maintenance turnaround at the facility, as well as the bypass of approximately 60 mmscf of gas in quarter 1 to manage operational challenges on one (1) gas plant. This matter has since been addressed.

Performance at PPGPL's North American-based subsidiary, Phoenix Park Trinidad and

Tobago Energy Holdings Limited ('PPTTEHL') was impacted by warmer winter weather and even lower demand as the market transitions into the summer months. Nevertheless, sales volumes for the review period stood at 15,205 barrels per day, 3.8% above the 2022 level. Additionally, margins per gallon for this segment remain robust.

Uncertainties around gas supply, climate variability, shifting market demand, and the resulting negative effect on product prices were the key drivers of performance at PPGPL for the period, with their impacts expected to continue putting pressure on margins in the near term. However, PPGPL remains focused on rationalisation of costs, satisfying its customers, retaining its markets, and maintaining operating efficiency as it strives to create and grow long-term shareholder value.

Dr Joseph Ishmael Khan, Chairman

SUMMARY INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

TT\$'000

| | Unaudited Restated | | Unaudited Restated | | Audited |
|---------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------|-------------------------------|------------------------|
| | Three months ended 30 June 2023 | Three months ended 30 June 2022 | Six months ended 30 June 2023 | Six months ended 30 June 2022 | Year ended 31 Dec 2022 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | | |
| Share of (loss)/profit from investment in joint venture | (17,040) | 53,320 | (2,122) | 118,432 | 168,053 |
| Interest Income | 29 | 20 | 55 | 53 | 96 |
| Foreign exchange gain | - | 248 | - | 248 | 130 |
| Total (loss)/income | (17,011) | 53,588 | (2,067) | 118,733 | 168,279 |
| Expenses | | | | | |
| Impairment loss | - | - | - | - | (562,448) |
| Legal and professional fees | (129) | (259) | (482) | (617) | (1,221) |
| Other expenses | (187) | (281) | (211) | (400) | (1,192) |
| Loss/(profit) before tax | (17,327) | 53,048 | (2,760) | 117,716 | (396,582) |
| Income tax (expense)/credit | - | (119) | - | (198) | 2 |
| (Loss)/profit after taxation | (17,327) | 52,929 | (2,760) | 117,518 | (396,580) |
| Other comprehensive income: | | | | | |
| Exchange translation differences, net of tax | 234 | (111) | 1,956 | (882) | (5,974) |
| Other comprehensive income/(loss) | 234 | (111) | 1,956 | (882) | (5,974) |
| Total comprehensive (loss)/income | (17,093) | 52,818 | (804) | 116,636 | (402,554) |
| (Loss)/earnings per share | | | | | |
| Basic (dollars per share) | (0.11) | 0.34 | (0.02) | 0.76 | (2.56) |

SUMMARY STATEMENT OF FINANCIAL POSITION

TT\$'000

| | Unaudited | | Audited |
|-------------------------------------|------------------|-----------------------|------------------|
| | 30 June 2023 | Restated 30 June 2022 | 31 Dec 2022 |
| | \$'000 | \$'000 | \$'000 |
| Non-current assets | | | |
| Investment in joint venture | 1,572,515 | 2,145,851 | 1,588,588 |
| Total non-current assets | 1,572,515 | 2,145,851 | 1,588,588 |
| Current assets | | | |
| Tax recoverable | 314 | 341 | 314 |
| Dividend receivable | 7,897 | - | - |
| Cash at bank and on hand | 112,955 | 120,912 | 105,547 |
| Total current assets | 121,166 | 121,253 | 105,861 |
| Total assets | 1,693,681 | 2,267,104 | 1,694,449 |
| Equity | | | |
| Share capital | 2,772,120 | 2,772,120 | 2,772,120 |
| Translation reserve | 147,208 | 150,344 | 145,252 |
| Retained deficit | (1,229,253) | (658,215) | (1,226,493) |
| Total shareholder's equity | 1,690,075 | 2,264,249 | 1,690,879 |
| Current liabilities | | | |
| Due to parent company/related party | 88 | 110 | 142 |
| Trade and other payables | 3,518 | 2,705 | 3,428 |
| Tax payable | - | 40 | - |
| Total liabilities | 3,606 | 2,855 | 3,570 |
| Total equity and liabilities | 1,693,681 | 2,267,104 | 1,694,449 |

NOTES TO THE SUMMARY INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These condensed interim financial statements have not been audited and were approved by the Board of Directors on 11 August 2023.

2. Significant Accounting Policies

The accounting policies applied in these unaudited condensed interim statements are consistent with those applied in the audited financial statements for the year ended 31 December 2022.

3. Currency

All monetary amounts are stated in Trinidad and Tobago dollars.

SUMMARY STATEMENT OF CHANGES IN EQUITY

TT\$'000

| | Share capital | Translation reserve | Retained (deficit)/earnings | Total equity |
|-----------------------------------------------------------|------------------|---------------------|-----------------------------|------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Unaudited six months ended 30 June 2023 | | | | |
| Balance at 1 January 2023 | 2,772,120 | 145,252 | (1,226,493) | 1,690,879 |
| Loss for the year | - | - | (2,760) | (2,760) |
| Other comprehensive income | - | 1,956 | - | 1,956 |
| Total comprehensive loss | - | 1,956 | (2,760) | (804) |
| Dividends | - | - | - | - |
| Balance at 30 June 2023 | 2,772,120 | 147,208 | (1,229,253) | 1,690,075 |
| Unaudited six months ended 30 June 2022 (restated) | | | | |
| Balance as at 1 January 2022 - originally stated | 2,772,120 | 153,860 | 789,655 | 3,715,635 |
| Effect of restatement (prior period error) | - | (2,634) | (1,487,988) | (1,490,622) |
| Balance at 1 January 2022 | 2,772,120 | 151,226 | (698,333) | 2,225,013 |
| Profit for the year | - | - | 117,518 | 117,518 |
| Other comprehensive loss | - | (882) | - | (882) |
| Total comprehensive income | - | (882) | 117,518 | 116,636 |
| Dividends | - | - | (77,400) | (77,400) |
| Balance at 30 June 2022 | 2,772,120 | 150,344 | (658,215) | 2,264,249 |
| Audited year ended 31 December 2022 | | | | |
| Balance at 1 January 2022 | 2,772,120 | 151,226 | (698,333) | 2,225,013 |
| Loss for the year | - | - | (396,580) | (396,580) |
| Other comprehensive loss | - | (5,974) | - | (5,974) |
| Total comprehensive loss | - | (5,974) | (396,580) | (402,554) |
| Dividends | - | - | (131,580) | (131,580) |
| Balance at 31 December 2022 | 2,772,120 | 145,252 | (1,226,493) | 1,690,879 |

SUMMARY STATEMENT OF CASH FLOWS

TT\$'000

| | Unaudited | | Audited |
|------------------------------------------------------------|-------------------------------|-------------------------------|------------------------|
| | Six months ended 30 June 2023 | Six months ended 30 June 2022 | Year ended 31 Dec 2022 |
| | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | |
| Profit/(loss) for the period/year before taxation | (2,760) | 117,716 | (396,582) |
| Impairment loss | - | - | 562,448 |
| Dividends from joint venture | 15,792 | 65,848 | 105,286 |
| Interest income | (55) | (53) | (96) |
| Share of loss/(income) from investment in joint venture | 2,122 | (118,432) | (168,053) |
| | 15,099 | 65,079 | 103,003 |
| Increase in dividend receivable | (7,897) | - | - |
| (Decrease)/increase in amount due to related party | (54) | 90 | 122 |
| Increase in trade and other payables | 90 | 1,110 | 1,833 |
| Cash flows generated from operating activities | 7,238 | 66,279 | 104,958 |
| Taxation received | - | - | 29 |
| Taxation paid | - | (158) | (1) |
| Net cash flow generated from operating activities | 7,238 | 66,121 | 104,986 |
| Cash flows from financing activities | | | |
| Dividends paid | - | (77,400) | (131,580) |
| Net cash used in financing activities | - | (77,400) | (131,580) |
| Cash flows from investing activities | | | |
| Interest and other investment income | 55 | 53 | 96 |
| Net cash generated from investing activities | 55 | 53 | 96 |
| Net increase/(decrease) in cash at bank and on hand | 7,293 | (11,226) | (26,498) |
| Net foreign exchange differences | 115 | (123) | (216) |
| Cash at bank and on hand at 1 January | 105,547 | 132,261 | 132,261 |
| Cash at bank and on hand at end of period/year | 112,955 | 120,912 | 105,547 |

Director

Director