



August 14th 2023

Media Release

Operational and market challenges in 2023 moderate TTNGL performance

Trinidad and Tobago NGL Limited (TTNGL) has published its financial results for the period ending 30 June 2023, which reflects operational and market challenges impacting its underlying asset, Phoenix Park Gas Processors Limited (PPGPL).

The financial performance and revenues were adversely impacted by external market factors. Natural gas liquids (NGL) prices continued their declining trend in 2023 and were 37.7% lower than prices recognised in the comparable period of 2022. A warmer US winter weakened demand for NGLs, and a combination of higher US NGL production and falling exports kept US NGL inventories above the 5-year average. Both factors served to dampen NGL prices, which accounted for over 60% of PPGPL's year-to-date sales revenue variance at June 2023.

In the domestic market, NGL sales volumes for the period up to June 2023 were 39.7% below 2022, because of lower NGL production. This was due to a planned 20-day facility-wide turnaround for maintenance activities, as well as ongoing domestic gas supply challenges, which resulted in 25% lower production when compared to Q2 from 2022. Higher feedstock costs also significantly impacted the performance of PPGPL when compared to Q2 2022.

Notwithstanding, TTNGL recorded a healthy after-tax profit of TT\$14.6 million in the first quarter; however, results from the second quarter led the company to post a year-to-date loss after tax of TT\$2.8 million at the end of June. This performance was primarily derived from TTNGL's investment in PPGPL, which recorded a loss after tax of US\$0.8 million for the first half of 2023.

Positively, PPGPL's North American-based subsidiary Phoenix Park Trinidad and Tobago Energy Holdings Limited ('PPTTEHL'), sales volumes for the review period stood at 15,205 barrels per day, 3.8% above the 2022 level, although its earnings were dampened by lower demand. Additionally, margins per gallon for this segment remain robust.

Commenting on the half-year results, TTNGL Chairman Dr. Joseph Ishmael Khan noted the challenges facing the company and the efforts being made towards recovery:

“TTNGL is an energy-based stock, and the reality is that the world’s increasingly unstable climate, shifting market demand and gas supply uncertainties will inevitably put pressure on margins in our business. However, shareholders can rest assured that PPGPL is undeterred in its mission to grow long-term value through cost-rationalisation, customer focus, market expansion and retention and building operational efficiency.

“Moreover, the wider NGC Group to which both PPGPL and TTNGL belong continues to evolve and adapt its business model, making significant strides on its journey to become a successful, diversified and global clean energy brand. All resources are being devoted towards restoring and maximising profitability across The Group.”

For more information, please contact:

Mr. Sheldon Sylvester

Chief Financial Officer

Trinidad and Tobago NGL Limited (TTNGL)

E-mail: ttngl@ngc.co.tt

