Trinidad and Tobago NGL Limited

Our Energy is your Wealth

Additional Public Offering

PROSPECTUS

A subsidiary of THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Trinidad and Tobago NGL Limited

Trinidad and Tobago NGL Limited ("Company")

A company incorporated in the Republic of Trinidad and Tobago under the provisions of the Companies Act Chap. 81:01 of the Laws of the Republic of Trinidad and Tobago

PROSPECTUS

05 JUNE 2017

Offer for sale by **The National Gas Company of Trinidad and Tobago Limited** of its 40,248,000 Class B Shares in the Company at $21.00 per share payable in full on application.

The Trinidad and Tobago Securities and Exchange Commission ("TTSEC") has not in any way evaluated the merits of the Securities Offered hereunder and any representation to the contrary is an offence.

No underwriter has been involved in the distribution or performed any review of the contents of this Prospectus. Details as to the advisers involved in the Offer are set out on Pages 16 to 19 of this Prospectus. Such advisers include PricewaterhouseCoopers Advisory Services Limited (as Corporate Finance Consultants), Republic Securities Limited (as Lead Stockbrokers) and Johnson, Camacho & Singh (as Legal Advisers).

No securities will be distributed under this Prospectus later than one (1) year and twenty (20) days after the date of issue of the receipt for the Prospectus from the Trinidad and Tobago Securities and Exchange Commission ("TTSEC") in keeping with Section 83(4) of the Securities Act 2012, Chap. 83:02 of the Laws of the Republic of Trinidad and Tobago.

This Prospectus has been seen and approved by the Directors of Trinidad and Tobago NGL Limited (the "Company") and by the Directors of The National Gas Company of Trinidad and Tobago Limited ("NGC"), and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

Definitions

GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

The definitions set out below apply throughout this document unless the context requires otherwise.

ACH	Automated Clearing House
ALNG	ALNG 1, ALNG 2/3 and ALNG 4, collectively
ALNG 1	Atlantic LNG Company of Trinidad and Tobago Limited (Train 1)
ALNG 2/3	Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited (Trains 2 and 3)
ALNG 4	Atlantic LNG 4 Company of Trinidad and Tobago Unlimited (Train 4)
Articles	The Restated Articles of Incorporation of the Company
Bbl or Bbls	Barrel(s)
bbls/d or BPD	Barrels per day
Bcf	Billion cubic feet
Bcfd	Billion cubic feet per day
BG	BG Group plc
BIR	Board of Inland Revenue of Trinidad and Tobago
BP	BP plc
bpTT	BP Trinidad and Tobago LLC
BTU	British thermal unit
CAGR	Compound Annual Growth Rate
CARICOM	Caribbean Community
Cbm	Cubic meters
Central Bank	Central Bank of Trinidad and Tobago
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Class A Shares	The Class A shares issued from time to time by the Company
Class B Shares	The Class B shares issued from time to time by the Company
Companies Act	Companies Act, Chap. 81:01
Company/TTNGL	Trinidad and Tobago NGL Limited
ConocoPhillips T&T Holdings	ConocoPhillips Trinidad & Tobago Holdings Inc.
Control	Voting power which an entity holds over another entity through its direct and/or indirect ownership in such entity’s shareholdings
Cpg	Cents per gallon
Directors/Board of Directors	Directors of the Company
Effective Ownership Interest	Economic interest in an entity arising from a direct or indirect shareholding in such entity
ESOP	Employee Share Ownership Plan
External Provider(s)	Third-party service provider for administration, management and operational services, to be appointed by the Company
F	Forecast
FOB	Freight On Board
Gasfin	Gasfin Development SA

GDP	Gross Domestic Product
GORTT	Government of the Republic of Trinidad and Tobago
GPA	Gas Processors Association
GPM	Gallons per Thousand: Measure of natural gas liquids content per thousand standard cubic feet of natural gas
Gulfstream	Gulfstream Trading Limited
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IHS	IHS Markit Limited, a provider of industry research data
Investor(s)	All persons applying to purchase the Securities Offered
IPO	Initial Public Offering
Joint Venture Agreement	The joint venture agreement dated 29 November, 1989 among NGC NGL, TT Holdings LLC (formerly ConocoPhillips Trinidad & Tobago Holdings Inc.) and Pan West in respect of Phoenix Park
K	Thousands
LABIDCO	La Brea Industrial Development Company Limited
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas: Propane and Butane
MBV	Mont Belvieu: NGL pricing hub based on trading in the US domestic market, used as reference commodity price
MD&A	Management Discussion and Analysis
Ministry of Energy	Ministry of Energy and Energy Industries, GORTT
Mmbtu	Million British thermal unit
Mmcfd	Million cubic feet per day
Mmscfd	Million standard cubic feet per day
Mmtpa	Million metric tons per annum
MW	Megawatts
National Energy	National Energy Corporation of Trinidad and Tobago Limited
NEL	National Enterprises Limited
NGC/the Selling Shareholder	The National Gas Company of Trinidad and Tobago Limited
NGC Group of Companies	The Company; Phoenix Park; NGC; NGC CNG; LABIDCO and National Energy
NGC CNG	NGC CNG Company Limited
NGC NGL	NGC NGL Company Limited
NGL	Natural Gas Liquids
NIBTT	The National Insurance Board of Trinidad and Tobago
Non-Public Company	A company that is not listed on the TTSE or such other regulatory stock exchange wherever situated, as a public company
Offer	The offer by NGC for the sale of the Securities Offered
Offer Price	$21.00 per Class B Share
PAD	Profit Available for Distribution
Pan West	Pan West Engineers and Constructors LLC

Petrotrin	Petroleum Company of Trinidad and Tobago Limited
PLIPDECO	Point Lisas Industrial Port Development Corporation Limited
Phoenix Park or PPGPL	Phoenix Park Gas Processors Limited
Point Lisas	Point Lisas Industrial Estate, Couva
PPGPL Class B Shares	The 35,967,789 ordinary "B" shares in the equity share capital of Phoenix Park which are owned by the Company
PPI	Producer Price Index
Products	Products of Phoenix Park: Propane, butane and natural gasoline, collectively
Prospectus	This Prospectus
Public	Investors other than NGC
Qualified Employees	Permanent employees of The NGC Group of Companies
Repsol	Repsol YPF S.A.
RBL	Republic Bank Limited
RSL	Republic Securities Limited
S&P	Standard & Poor's Ratings Services, a credit rating agency
Securities Act	Securities Act 2012, Chap. 83:02
Securities Legislation	Includes Securities Act, its regulations, by-laws and guidelines
Securities Offered	The 40,248,000 Class B Shares which are owned by NGC and are the subject of this Offer
SOCAR	State Oil Company of Azerbaijan Republic
SPT	Supplemental Petroleum Tax
Tcf	Trillion cubic feet
TT Holdings LLC	Trinidad and Tobago Holdings LLC
TT$ or TTD	Trinidad and Tobago dollars
TTCD	The Trinidad and Tobago Central Depository Limited
TTDAA	Trinidad and Tobago Deep Atlantic Area
TTSE	Trinidad and Tobago Stock Exchange
TTSEC	Trinidad and Tobago Securities and Exchange Commission
US	United States of America
US$ or USD	United States dollars
UTC	Trinidad and Tobago Unit Trust Corporation
VP	Vice President
WPI	US Producer Price Index for Finished Goods

CURRENCY

Unless otherwise stated, all dollar values included within the Prospectus are expressed in TTD.

The reporting currency of the Company is the TTD. The functional currency of the Company is USD by virtue of USD being the currency of the primary economic environment in which the Company operates and the currency in which the Company receives its dividends from Phoenix Park.

Forward-Looking **Statements**

This Prospectus contains forward-looking statements, which are statements that are not based on historical information including, without limitation, statements regarding future financial position and results of operations, business strategy, budgets, projected costs and plans and objectives of management for future operations. Forward-looking statements reflect the Company's current views with respect to future events. The words "anticipate", "believe", "expect", "plan", "estimate", "intend", "will", "may", "should", "forecast", "project" and similar expressions identify forward-looking statements. There is significant risk that these predictions and other forward-looking statements will not prove to be accurate. Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved by the Company and historical results and market data may not be indicative of future results and market prospects. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties such as but not limited to the following:

- Political, economic and other conditions and developments in Trinidad and Tobago and globally;
- The actual rates of growth, if any, in GDP and other economic indicators of Trinidad and Tobago in any relevant year or other period;
- Changes in interest rates or exchange rates;
- Governmental, statutory, regulatory or administrative initiatives affecting the oil and gas industry and businesses in Trinidad and Tobago;
- Actions or decisions made by GORTT, as the Company's ultimate controlling shareholder;
- Economic, financial and other developments involving GORTT which may have an adverse effect on the Company;
- The effectiveness of the Company's risk management processes and strategies;
- Technological changes affecting the Company;
- State of the natural resource reserves of Trinidad and Tobago;
- Breaches or violations in the Company's computer systems and network infrastructure; and
- Loss of key personnel.

Readers are also asked to carefully review the "Risk Factors" set out in Section 5 in this Prospectus for a more complete discussion of the risks of an investment in the Securities Offered. The Company disclaims any obligation or undertaking to update publicly or revise any forward-looking statements contained in this Prospectus, whether as a result of new information, future events or otherwise.

Contents

Contents (continued)

1 | **General** Information

1.1 Corporate **Directory**

TRINIDAD AND TOBAGO NGL LIMITED

Chairman of the Board	Mr. Gerry C. Brooks
Chief Financial Officer	Mr. Sheldon Sylvester
Corporate Secretary	Aegis Business Solutions Limited
Registered Office	Trinidad and Tobago NGL Limited Orinoco Drive Point Lisas Industrial Estate Couva Tel: (868) 636-1098 Hotline: (868) 800-4NGL Fax: (868) 636-1099 Website: www.ngl.co.tt

LISTING OF PERSONS INVOLVED IN THE OFFER

Bankers to the Issue	Republic Bank Limited 59 Independence Square Port of Spain Tel: (868) 625-4411 Website: www.republictt.com
Corporate Finance Consultants	PricewaterhouseCoopers Advisory Services Limited 11-13 Victoria Avenue Port of Spain Tel : (868) 299-0700 Fax: (868) 623-6025 Website: www.pwc.com/tt
Selling Shareholder	The National Gas Company of Trinidad and Tobago Limited Orinoco Drive Point Lisas Industrial Estate Couva Tel: (868) 636-4662 / (868) 636-4680 Fax: (868) 679-2384 Website: www.ngc.co.tt

Lead Stockbroker	Republic Securities Limited 2nd Floor, Promenade Centre 72 Independence Square Port of Spain Tel: (868) 623-0435/36/38/39 Fax: (868) 623-0441 Website: https://rsltt.com
Registrar	Trinidad and Tobago Central Depository Limited 10th Floor, Nicholas Tower 63-65 Independence Square Port of Spain Tel: (868) 625-5107-9 Fax: (868) 623-0089 Website: www.stockex.co.tt
Auditors	Deloitte & Touche 54 Ariapita Avenue Port of Spain Tel: (868) 628-1256 Fax: (868) 628-6566 Website: www.deloitte.com/tt
Reporting Accountants	Deloitte & Touche 54 Ariapita Avenue Port of Spain Tel: (868) 628-1256 Fax: (868) 628-6566 Website: www.deloitte.com/tt KPMG Savannah East 11 Queen's Park East Port of Spain Tel: (868) 623-1081 Fax: (868) 623-1084 Website: https://home.kpmg.co/tt/en/home.html

Attorneys-at-Law	Johnson, Camacho & Singh 5th Floor, Newtown Centre 30-36 Maraval Road Newtown Port of Spain Tel: (868) 225-4527 Website: www.jcscaribbeanlaw.com
Stock Exchange	Trinidad and Tobago Stock Exchange Limited 10th Floor, Nicholas Tower 63-65 Independence Square Port of Spain Tel: (868) 625-5107-9 Fax: (868) 623-0089 Website: www.stockex.co.tt

AUTHORISED STOCKBROKERS

Republic Securities Limited	2nd Floor, Promenade Centre 72 Independence Square Port of Spain Tel: (868) 623-0435 Fax: (868) 623-0441 Website: www.rsltt.com
First Citizens Brokerage & Advisory Services Limited	17 Wainwright Street St. Clair Tel: (868) 622-3247 Fax: (868) 627-2930 Website: www.firstcitizenstt.com/fcis/wealth-management
JMMB Securities (Trinidad and Tobago) Limited	169 Tragarete Road Port of Spain Tel: (868) 224-5662, 224-5667 Fax: (868) 623-2411 Website: www.jmmbtt.com/investhome

Bourse Brokers Limited	24 Mulchan Seuchan Road Chaguanas Tel: (868) 628-9100 Fax: (868) 622-1603 Website: www.bourseinvestment.com
Caribbean Stockbrokers Limited	2nd Floor, 67 Independence Square Port of Spain Tel: (868) 624-4415, 624-8178 Fax: (868) 625-9258
West Indies Stockbrokers Limited	St. Clair Place 8 Sweet Briar Road Port of Spain Tel: (868) 628-9473 Fax: (868) 622-5002 Website: www.wiseequities.com

AUTHORISED DISTRIBUTORS

Sheppard Securities Limited	5-7 Sweet Briar Road St. Clair Tel: (868) 222-5192 Fax: (868) 222-5193 Website: www.sheppard.tt
KSBM Asset Management Limited	2 Murray Street Woodbrook Tel: (868) 627-5726 Fax: (868) 623-9577 Website: www.ksbm.biz
Firstline Securities Limited	46 Agra Street St. James Tel: (868) 628-1175 Fax: (868) 628-1554 Website: http://firstlinesecurities.com

1.2 Information **Summary**

This Information Summary highlights key information contained in the Prospectus and may not contain all the information that may be important to prospective purchasers. Readers are advised to read the entire Prospectus prior to deciding whether to invest in the Securities Offered.

Overview of the Company

The Company was incorporated on 13 September 2013 by NGC, for the purpose of holding its investment in the PPGPL Class B Shares. At the time of its incorporation, NGC was issued with 38,700,000 Class A Shares and 116,100,000 Class B Shares in the Company.

In August 2015, NGC offered 49% of the Company to the public of Trinidad and Tobago through the IPO. The IPO comprised the sale of 75,852,000 Class B Shares (65% of the Class B Shares) at an offer price of $20.00 per share. The IPO was fully subscribed and the Company began trading on the TTSE on 19 October 2015, under the ticker "NGL". All of the Company's issued and outstanding Class B Shares, comprising of 116,100,000 Class B Shares were listed on the TTSE.

Pursuant to a mandate by GORTT, NGC is now proposing to sell the remainder of its Class B Shares, representing 26% of its equity interest in the Company, to the public via the Offer.

While the Company is a recently formed corporate entity, Phoenix Park is a company with over twenty-six (26) years of operating history in Trinidad and Tobago's energy sector and an indirect subsidiary of NGC. Phoenix Park operates Trinidad and Tobago's only natural gas processing and natural gas liquids ("NGL") fractionation plant and is the largest producer and marketer of propane, mixed butane, isobutane and natural gasoline in Trinidad and Tobago.

This Prospectus provides supplemental company and financial information in Appendix II to Appendix VII on the Company's investment asset, Phoenix Park.

Corporate Structure

The following diagrams illustrate the corporate structure of the Company before (Fig 1.2.1) and after the Offer (Fig 1.2.2) and set out the percentages of each party's ownership interest in the relevant affiliate entities.

Effective Ownership Structure before the Offer:

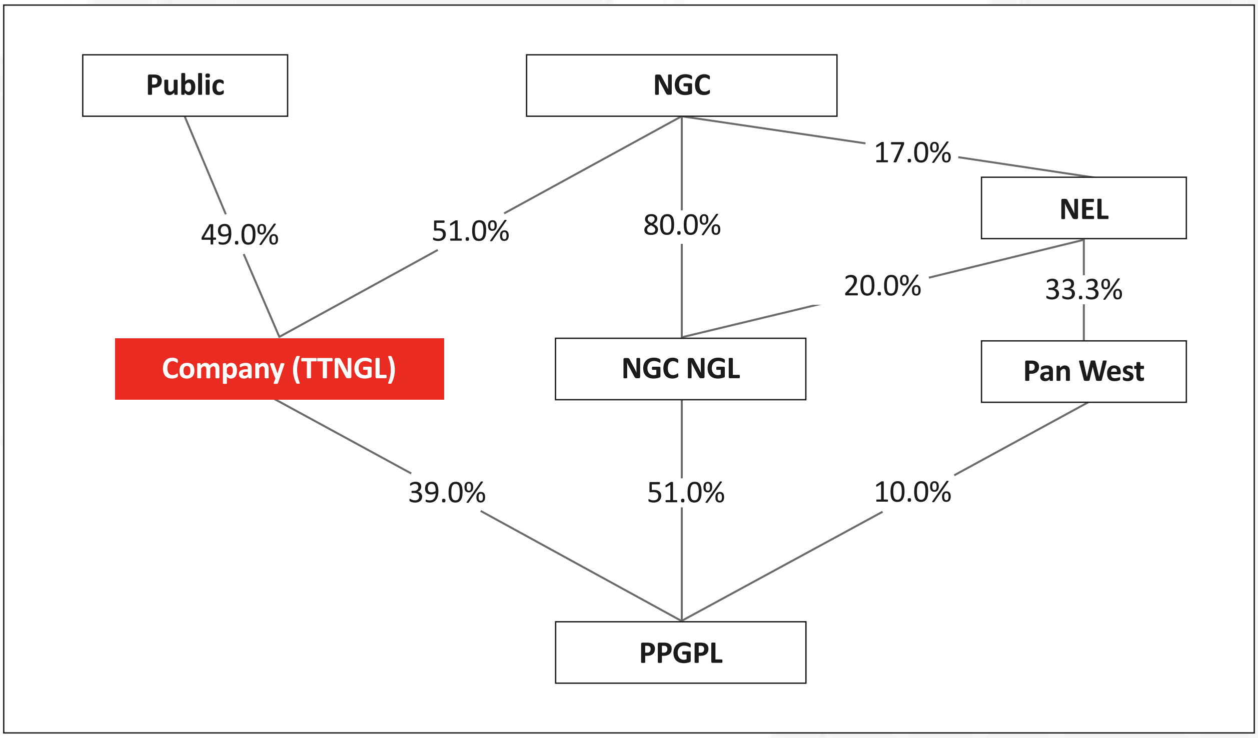

Fig 1.2.1: Effective ownership structure before the Offer

The Company's total issued share capital consists of 38,700,000 Class A Shares and 116,100,000 Class B Shares. As at the date of this Prospectus (prior to completion of the Offer), NGC is a 51% shareholder of the Company (comprising 38,700,000 Class A Shares and 40,248,000 Class B Shares) and the Public is a 49% shareholder in the Company (comprising 75,852,000 Class B Shares). The Company's Class A Shares are not listed on the TTSE.

Of this total share capital of the Company, all of NGC's Class B Shares, that is, 40,248,000 Class B Shares are the subject of the Offer (the "Securities Offered"). The rights of the Class A Shares and Class B Shares are set out in detail in Section 2.3 Securities Being Offered.

The Company's sole asset consists of its Phoenix Park Class B Shares. It has no other investment and no subsidiaries as at the date of this Prospectus. As the sole asset of the Company consists of the Phoenix Park Class B Shares, the dividends received by the Company from Phoenix Park is currently the core source of returns to Investors along with the capital appreciation of the share price.

In this regard, and as set out in the diagram above, Phoenix Park is effectively owned as follows:

- the Company holds a 39.0% Effective Ownership Interest in Phoenix Park;
- NGC NGL holds a 51.0% Effective Ownership Interest in Phoenix Park; and
- Pan West holds the remaining 10.0%.

Pan West is owned by an investment consortium comprising NIBTT, NEL, and UTC, who each own 33.3% of the Issued Share Capital.

NGC NGL is primarily owned by NGC, which holds an 80.0% shareholding. NEL, which is also partly owned by NGC, holds the remaining 20.0%.

NEL is a holding company listed on the TTSE. It is owned 66.0% by GORTT, 17.0% by NGC, and the remaining 17.0% by the general public.

Prior to the Offer, NGC owns a total Effective Ownership Interest of 63.0% in Phoenix Park and has Control of its Board.

Refer to Section 3.3 Summary Business Overview of the Company's Interest in Phoenix Park for further information on the aforementioned companies.

Effective Ownership Structure after the Offer:

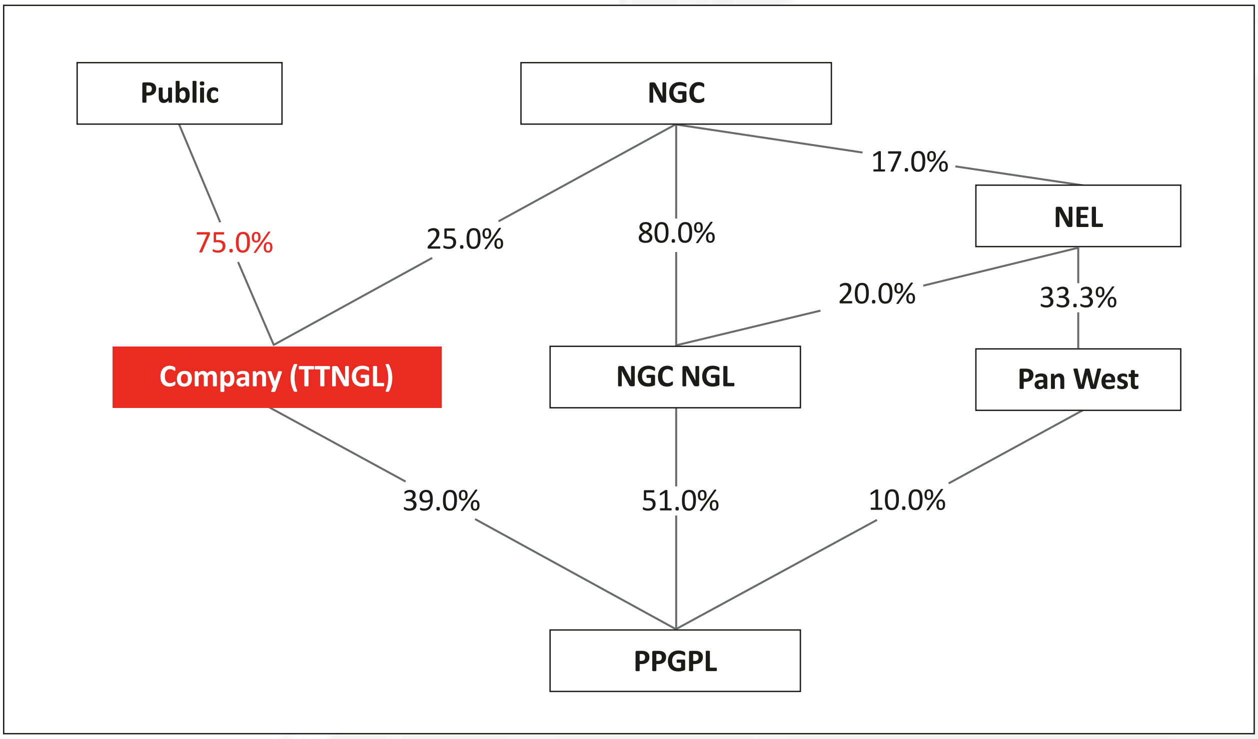

Fig 1.2.2: Effective ownership structure after the Offer

Assuming that the Offer is fully subscribed, the Public will hold an overall 75.0% Effective Ownership Interest in the Company by virtue of its ownership of 100.0% of the Company's Class B Shares. This will represent a 29.3% Effective Ownership Interest in Phoenix Park.

Following the Offer, NGC will continue to hold 100.0% of the Class A Shares which will represent a 25.0% Effective Ownership Interest in the Company.

In light of the foregoing, upon completion of the Offer, if fully subscribed, NGC's Effective Ownership Interest in Phoenix Park will be reduced from 63.0% to 52.9%, however NGC will continue to have Control of the Board of Phoenix Park through its ability to appoint the majority of directors.

Overview of Principal Activities

The Company's primary purpose is to hold the Phoenix Park Class B Shares. The Company shall continue to pass on any dividends received from Phoenix Park in excess of funds required to fund the operations of the Company to its shareholders. Following the IPO and listing on the TTSE, the Company has paid a total dividend of TT$3.00 per share. This represents a cumulative dividend yield of 15% on its initial listing price. Based on the Company's results for the year ended 31 December 2016, the Board of Directors announced a final dividend of TT$1.00 per share. As a result, the Company's dividend yield at 31 December 2016 was 7.14% based on the prevailing share price at that date. The dividend yield at 31 December 2015 was 6.98%.

For further details on the corporate overview and financial information of Phoenix Park, the Company's underlying investment, refer to the supplemental information on Phoenix Park presented in Appendices II through VII in this Prospectus.

Board of Directors and Senior Officer

As at the date of this Prospectus, the Company's Board of Directors and senior management are listed as follows:

Board of Directors	
Mr. Gerry C. Brooks	Chairman
Mr. Kenneth Allum	Director
Prof. Andrew Jupiter	Director
Mr. Ashmeer Mohamed	Director
Mr. Vivek Charran	Director
Senior Officer	
Mr. Sheldon Sylvester	Chief Financial Officer

Both NGC and Phoenix Park provide ongoing support to the Company under the terms of Memoranda of Agreement and through the appointment of the Chief Financial Officer, who is an employee of PPGPL. This team, together with the Company's Corporate Secretary, Aegis Business Solutions Limited, perform the operating and reporting duties for the Company.

Aegis Business Solutions Limited

Aegis Business Solutions Limited is a leading business outsourcing and advisory services provider serving international businesses choosing to set up and/or expand across Trinidad and Tobago and the Caribbean. The company works with franchises, multinationals and small and medium-sized enterprises to help incorporate and ensure local compliance across accounting, tax, local and expatriate payroll, human resources as well as financial advisory and audit services. In addition, Aegis Business Solutions Limited is the largest corporate secretarial division in Trinidad and Tobago, and is a member Firm of Kudos International Network, UK, and exclusive representative for Trinidad and Tobago.

2 | Details of Public Offering

2.1 General Information

No person has been authorised to give any information or to make any representation about the Offer other than those contained in this Prospectus. If such information or representation is given or made, the information or representation must not be relied upon as having been authorised by the Directors of the Company other than as set out in this Prospectus. This Prospectus is intended for use in Trinidad and Tobago. Nothing in this Prospectus constitutes an offer of securities for sale in any jurisdiction other than in the Republic of Trinidad and Tobago. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus must be treated as sent for information only and should not be copied or redistributed. If the laws of any place outside the Republic of Trinidad and Tobago are applicable to an application, the applicant must comply with all such laws and neither NGC nor TTNGL will infringe any laws outside the Republic of Trinidad and Tobago as a result of the acceptance of an application to purchase.

KEY DATES

The following key dates with regard to the Offer should be noted:

1.	Commencement date for the Offer	05 June 2017
2.	Final date for lodging applications (or later at the discretion of the Company)	28 June 2017
3.	Transfer of proceeds from the sale of the Securities Offered	19 July 2017
4.	Expected transfer date of the Securities Offered to successful purchasers	19 July 2017
5.	Expected electronic transfer of refunds via ACH	19 July 2017
6.	Expected notification of allotment of securities	26 July 2017

The Offer will open on 05 June 2017 at 9AM, and will close at 4PM on 28 June 2017 or later, at the discretion of NGC, but in any event no later than ninety (90) days after the date of the receipt for the Prospectus. In the event that the Offer is extended, relevant announcements will be published in the daily newspapers advising of the extended dates.

2.2 Purpose of the Offer

GORTT has outlined a capital market policy, which seeks to widen and deepen the domestic capital market through:

- Promoting efficiency by exposing businesses and services to the greatest possible competition, to the benefit of the customer;
- Spreading share ownership as widely as possible among the population thereby giving citizens a direct stake in industrial success; and
- Obtaining the best value for each enterprise sold by GORTT.

These objectives were successfully achieved with the IPO in 2015 and are expected to be further enhanced with the present Offer.

The further sale by NGC of the Securities Offered will continue to provide Investors with an opportunity to share in owning a portion of one of NGC's long-term investments and strategic assets in the energy sector.

2.3 Securities Being Offered

NGC shall offer the Securities Offered at an offer price of $21.00 per share ("Offer Price"), payable in full on application for these shares.

The Securities Offered are being offered to:

(i) Individual Investors;

(ii) Registered Mutual Funds, including the Trinidad and Tobago Unit Trust Corporation;

(iii) Registered Pension and other Trust Funds, Credit Unions and Cooperatives and National Enterprises Limited;

(iv) National Insurance Board of Trinidad and Tobago and other national insurance schemes of other countries; and

(v) Other Companies.

The basis of allocation is detailed in Section 9.6 Purchase Application Information - Allocations.

The Company's issued share capital consists of 154,800,000 shares, comprising 38,700,000 Class A Shares and 116,100,000 Class B Shares.

Upon completion of the Offer and assuming full subscription of the Offer, the Company's effective share ownership will be as follows:

	Number of shares		Total % interest
	Class A Shares	Class B Shares	
NGC	38,700,000	nil	25.0%
Public shareholders	nil	116,100,000	75.0%
Total shares	38,700,000	116,100,000	100.0%

Material attributes and characteristics of the shares to be distributed

General

Class A Shares and Class B Shares are subject to the same rights, privileges, restrictions and conditions, except for the right to appoint the Company's Directors and the conversion right as outlined below.

Voting Rights

Any shareholder of the Company is entitled to vote at all meetings of shareholders except meetings at which only holders of a specified class of shares, are entitled to vote.

Restrictions on Transfer of Shares

There are no restrictions on the transfer of shares in the Company.

Dividend and Distribution Rights

Any shareholder of the Company has the right to receive dividends declared and payable by the Company as well as to receive the remaining property of the Company upon dissolution.

Right to appoint the Company's Directors

Section 109 of the Companies Act states that the directors of a company shall call an annual meeting of shareholders, not later than eighteen (18) months after the company comes into existence, and subsequently not later than fifteen (15) months after holding the last preceding annual meeting.

According to Section 10: Annual Meetings of the Company's By-Laws, the annual meeting of shareholders shall be held at such time in each year within Trinidad and Tobago for the purpose of considering the financial statements and reports required by the Companies Act to be placed before the annual meeting, electing Directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

The Articles make provisions for the appointment of Directors of the Company as follows:

- If the holder(s) of Class A Shares of the Company holds 25.0% or more of the total issued shares (that is, both Class A and Class B Shares) in the Company, such holder(s) will be entitled to appoint three (3) Directors to the Board of Directors, and the holders of Class B Shares shall be entitled to appoint two (2) Directors to the Board.

- If the holder(s) of Class A Shares of the Company holds less than 25.0% but more than 10.0% of the total issued shares in the Company, such holder(s) will be entitled to appoint two (2) Directors to the Board of Directors, and the holders of Class B Ordinary Shares shall be entitled to appoint three (3) Directors to the Board.
- If the holder(s) of the Class A Ordinary Shares of the Company holds 10.0% or less of the total issued shares in the Company, he/she/it will not be entitled to appoint any Directors to the Board of Directors, the holders of Class B Shares shall be entitled to elect all five (5) Directors to the Board.

The Articles further provide that any shareholder who holds a minimum of 5.0% of the total issued share capital (Class A and Class B) of the Company or 5.0% of the shares of any class (Class A or Class B) of the Company, and who is entitled to vote, shall be entitled to nominate individuals for election at the annual meeting of shareholders, to serve as Directors.

Right to appoint Directors of Phoenix Park by virtue of the ownership in the Company

By virtue of its effective 39.0% shareholding in Phoenix Park, the Company is entitled to appoint two (2) Directors to Phoenix Park's Board of Directors.

The Articles provide that such Company's representatives on the Phoenix Park Board shall be appointed by a simple majority of the Company's Board of Directors.

Rights upon Dissolution or Winding-up

The Company's By-Laws provide that in the event that it is wound up, its surplus assets available for distribution among the shareholders shall be applied towards repaying the amount paid up on the shares then in issue by the Company to its respective shareholders. Where assets are more than sufficient to repay the whole amount paid up on such shares, the surplus shall be distributed among the Company's shareholders in like proportion. The rights of Class A and Class B shareholders shall be the same upon dissolution or winding-up.

Conversion Rights

The Class A shareholder of the Company has the right, at any time and from time to time, to convert all or any part of its Class A Shares into an equal number of Class B Shares by notifying the Secretary of the Company in writing of its intention to do so and surrendering the share certificate(s) for the Class A Shares subject to conversion. Upon conversion, notice shall be given to all shareholders of the Company by written correspondence.

Should all Class A Shares be converted to Class B Shares, or should the Class A Shares represent less than 10.0% of the total shares outstanding, the Board of Directors of the Company shall be elected by a simple majority vote of shareholders with no distinction between the rights of Class A Shares and Class B Shares.

Eligibility for Investment for Statutory Fund Purposes

The Second Schedule of the Insurance Act, 1980 provides, among other things, that shares of a company incorporated in Trinidad and Tobago and approved by the Central Bank, will qualify as an eligible asset in which the Statutory Funds of Insurance Companies and Pension Fund Plans might invest. The Company's shares were approved by the Central Bank as an eligible asset for the Statutory Fund.

Listing on Trinidad and Tobago Stock Exchange

On 19 October 2015, all of the Company's Class B Shares were listed on the TTSE with the trading symbol "NGL" and available for trade through the TTSE.

2.4 Pricing

The Offer Price is $21.00 per share, payable in full at the time of application. The Offer Price was determined based on the closing market price of the TTNGL Class B Shares on the last trading day prior to the approval of this Prospectus.

In determining the Offer Price, NGC and the Lead Stockbroker, RSL, considered a number of factors, including:

- The information set forth in this Prospectus;
- The Company's recent market share price points;
- The prospects for the industry in which the Company competes;
- The overall economic prospects of Trinidad and Tobago;
- The assessment of the Company's management;
- The Company's prospects for future financial performance as derived from the performance of Phoenix Park;
- The recent market prices of, and demand for, publicly traded shares of generally comparable companies; and
- The general condition of the securities markets, and the offering market in particular, at the time of the offering.

While the Company already trades in an active secondary market with over one (1) year of positive trading history, the Company cannot assure Investors that the Securities Offered will trade in the public market at or above the Offer Price, at any time, including during the Offer period.

2.5 Use of Proceeds

As NGC is the holder of the Securities Offered, it is entitled to the proceeds of the sale of such shares. NGC has accepted to pay all advisory fees in respect of the sale of the Securities Offered.

NGC is expected to incur expenses in relation to this offering of approximately 1.4% of total proceeds from the Offer.

The Company will not receive any proceeds from the Offer.

2.6 Company Policies Relevant to the Offer

The following are relevant policies in relation to the Securities Offered:

Dividend Policy

The Company's dividend policy is to distribute cash in excess of operating requirements to its shareholders, which, in each case, shall be at the discretion of its Board of Directors. In accordance with such dividend policy, the Company's total annual dividend payout percentage shall be equal to a maximum of 99.0% of PAD. For purposes of the dividend policy, the Company's PAD shall be defined as:

Net profit after tax of the Company

LESS:	(1)	Income from associated companies net of taxes
	(2)	Principal repayments on loans/transfers to sinking fund
	(3)	Transfer to reserve funds
	(4)	Special payments
	(5)	Exceptional items which impact cash available for distribution
	(6)	Capital expenditure not financed by shareholders and/or via third-party financing
	(7)	Unrealized gains
ADD:	(1)	Cash dividends received from associated companies
	(2)	Depreciation
	(3)	Exceptional Items which impact cash available for distribution
	(4)	Unrealized losses

The Company's dividend policy as described here shall be subject to:

- the solvency requirements of the Companies Act; and
- any banking or other funding covenants by which the Company may be bound from time to time.

Changes to target dividend payout percentage. The dividend payout percentage set out above will not be changed without the prior approval of a simple majority of the Directors.

Dividend rights. The Class A Shares and the Class B Shares shall be entitled to equal rights in respect of dividends.

Frequency of payments to shareholders. Subject to the above-noted requirements (including but not limited to the prior approval of the Board of Directors), the Company will endeavor to pay dividends twice per year. An interim dividend for the financial year may be paid based on the six (6) months financial results ended 30 June and the final dividend may be paid following the approval of the audited annual financial statements.

Currency of payments to shareholders. The Company will receive dividends in USD from Phoenix Park, the Company's underlying investment. The Company may elect from time to time to declare and pay dividends in either USD or TTD. In circumstances where the Company has elected to declare and pay dividends in TTD, it shall, no later than three (3) days prior to the dividend distribution date to its shareholders, convert to TTD (at the prevailing spot rate on the date of conversion) the dividend income received from Phoenix Park as will allow the Company to meet the dividend payment to the shareholders. The currency conversion will be managed in the best interest of the Company.

Investment Policy

Dividends received by the Company must be held readily available in cash from the date of declaration to the date of distribution, to fulfill bi-annual dividend payments (up to 99% of PAD) to all shareholders and all operating requirements that may be reasonably anticipated. Unused funds after payment of operating expenses and dividends shall be invested in short-term investments, including, for example, repurchase agreements (collateralized by securities of GORTT and agencies or any regional/US sovereign), treasury bills, certificates of deposits and money market instruments. Securities eligible for investment shall represent investment grade securities only. The CFO shall recommend investments in financial assets. Approval for these investments must be obtained from the Company's President and Board of Directors prior to implementation by the CFO.

3 | **Corporate** Information

3.1 Historical Information

Establishment of the Company

The Company was incorporated by NGC on 13 September 2013 for the purpose of holding shares in Phoenix Park. The Company acquired ConocoPhillips T&T Holdings, which owned a 39.0% interest in Phoenix Park in the form of Phoenix Park Class B Shares (refer to Appendix IV "Shareholders – Phoenix Park" for information on material attributes and characteristics of Phoenix Park's Class A and Class B Shares). Upon completion of the acquisition in August 2013, ConocoPhillips T&T Holdings was renamed Trinidad and Tobago Holdings LLC ("TT Holdings LLC").

On 27 February 2014, NGC transferred its 100.0% shareholding in TT Holdings LLC to the Company in exchange for 38,700,000 Class A Shares and 116,100,000 Class B Shares, representing 100.0% of the issued share capital of the Company. These shares were issued in favour of NGC on 18 March 2014. At the closing of this transaction, the Company became the 100.0% shareholder of TT Holdings LLC, and NGC became the sole shareholder of the Company. The resulting ownership structure is outlined in Fig 3.1.1 below:

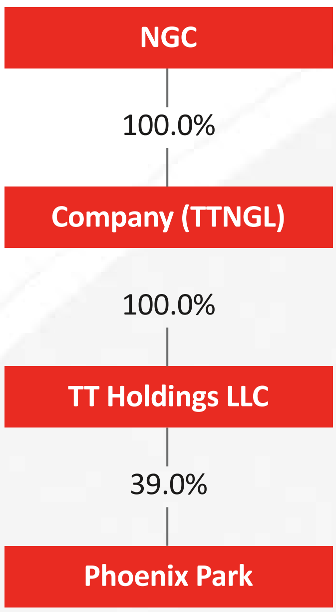

Fig 3.1.1: Ownership structure as of 27 February 2014, prior to the dissolution of TT Holdings LLC

On 27 February 2014, the Company authorized the dissolution of TT Holdings LLC.

As at 24 March 2014, the PPGPL Class B Shares previously held by TT Holdings LLC were distributed *in specie* to the Company, which, accordingly, became the direct holder of such shareholding. Subsequently, TT Holdings LLC was dissolved on 7 April 2014. The resulting ownership structure is outlined in Fig 3.1.2 below:

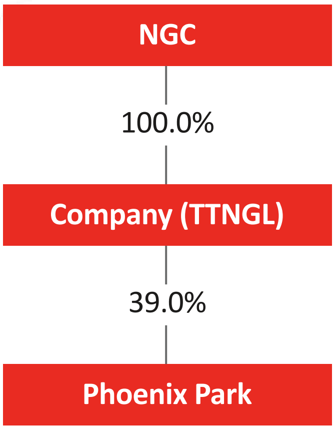

Fig 3.1.2: Ownership structure subsequent to the dissolution of TT Holdings LLC

The share capital of the Company consists of 38,700,000 authorized and issued Class A Shares, representing 25.0% of the Company's share capital, and 116,100,000 authorized and issued Class B Shares, representing 75.0% of the Company's share capital. All of the Company's Class B Shares are currently listed on the TTSE. There are no outstanding warrants, options, convertible securities or uncalled capital in respect of the Company's shares as at the date of this Prospectus.

In August 2015, NGC offered 49.0% of the Company to the public of Trinidad and Tobago through the IPO. The IPO comprised the sale of 75,852,000 Class B Shares at an offer price of $20.00 per share. The IPO was successful and the Company began trading on the TTSE on 19 October 2015. Prior to this Offer, NGC owns an effective 51.0% interest in the Company through the ownership of 38,700,000 Class A Shares and 40,248,000 Class B Shares.

Prior to this Offer through its various direct and indirect shareholdings, NGC owns an Effective Ownership Interest of 63.0% in Phoenix Park.

Corporate Structure and Major Shareholders

On closing of the Offer, it is expected that NGC will hold an approximate 25.0% Effective Ownership Interest in the Company through the ownership of 38,700,000 Class A Shares, representing 100% of the issued shares of that class.

While NGC will continue to hold an equity interest in Phoenix Park through the Company as part of its long-term strategy in the energy sector, the Company's shareholding structure enables NGC to meet this objective while allowing the public to participate in the benefits of equity ownership.

The following diagram, Figure 3.2.1, illustrates the corporate structure of the Company after giving effect to the completion of the Offer and sets out the percentages of each party's ownership interest in the relevant affiliate entities.

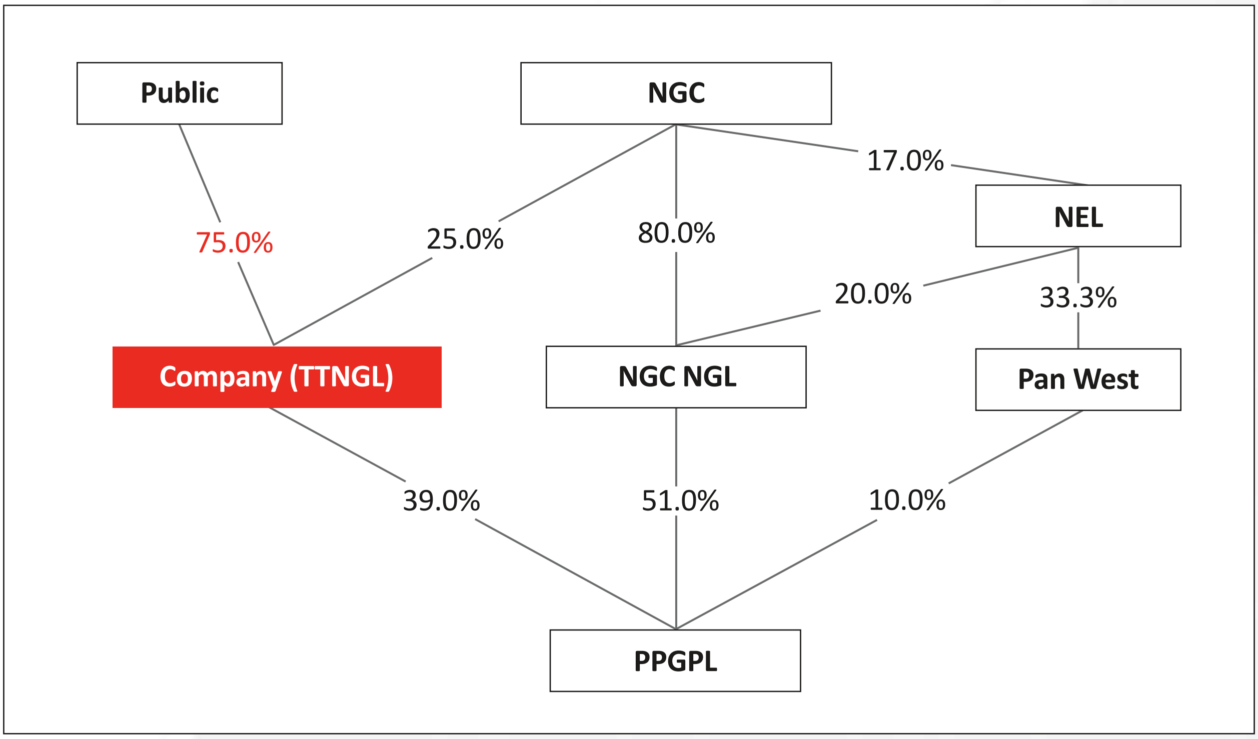

Fig 3.2.1: Ownership structure of the Company subsequent to completion of the Offer

Assuming that the Offer is fully subscribed, Investors will hold 100.0% of the Class B Shares (or 116,100,000 Class B Shares), and such shareholding will represent a 75.0% Effective Ownership Interest in the Company, which amounts to a 29.3% Effective Ownership Interest in Phoenix Park.

NGC will continue to hold 100.0% of the Class A Shares, which will represent a total 25.0% Effective Ownership Interest in the Company.

In light of the foregoing, upon completion of the Offer, if fully subscribed, NGC's Effective Ownership Interest in Phoenix Park will be reduced from 63.0% to 52.9%, however, NGC will continue to have Control of the Board of Phoenix Park.

Employee Share Ownership Plan (ESOP)

The Company is in the process of establishing an ESOP for the benefit of Qualified Employees which will enable the Qualified Employees to acquire an interest in shares in the Company on the terms and in the manner which will appear in the Trust Deed and Rules. The ESOP will be subject to the approval of the Board of Inland Revenue and other approvals.

Business Objective and Strategies

The principal objective of the Company's incorporation was to create a structure through which the public could take part in owning an equity interest in Phoenix Park. The Company anticipates that it will create shareholder value over the long-term through future appreciation of its investment in Phoenix Park, and through expected reliable and durable dividends from Phoenix Park.

The Company expects to continue to receive monthly dividends from Phoenix Park based on its ownership of the Phoenix Park Class B Shares. In accordance with its investment policy, the Company shall invest cash in excess of operating requirements and payment of dividends in investment grade short-term investments, including GORTT US-denominated bonds and other government obligations, US treasuries and other US government obligations or other commercial papers that were granted an investment-grade rating by a rating agency recognized in Trinidad and Tobago.

Pursuant to its dividend policy, the Company shall, at the discretion of its Directors, declare and pay dividends to its Class A and Class B shareholders on a semi-annual basis. Refer to Section 2.6 – "Company Policies Relevant to the Offer" for a summary of the Company's investment and dividend policy.

Both NGC and Phoenix Park provide ongoing support to the Company under the terms of Memoranda of Agreement and through the appointment of the CFO, Mr. Sheldon Sylvester, who is an employee of PPGPL. This team, together with the Company's Corporate Secretary, Aegis Business Solutions Limited, perform the operating and reporting duties for the Company.

Key Operating Agreements

Memorandum of Agreement with NGC: The Company has access to managerial, administrative and operational support from NGC under the terms and conditions of its Memorandum of Agreement dated 11 November 2013. The Company's officers, together with the Company's Corporate Secretary, Aegis Business Solutions Limited, perform the operating and reporting duties for the Company. All expenses incurred by NGC on behalf of TTNGL are reimbursed in cash.

Disclosure Agreement with Phoenix Park: By virtue of the significance of Phoenix Park's financial performance to the Company, a continuous reporting agreement has been put in place between these entities such that Phoenix Park's quarterly results and associated management discussion and analysis can be disclosed as part of the Company's disclosure requirements. In addition, Phoenix Park's disclosure controls shall be aligned with those of the Company with respect to the announcement of material events to investors.

Memorandum of Agreement with Phoenix Park: The Company has access to financial accounting support from Phoenix Park under the terms and conditions of its Memorandum of Agreement dated 1 January 2017.

Joint Venture Agreement: Phoenix Park was formed under a joint venture agreement dated 29 November 1989 among NGC NGL, TT Holdings LLC (formerly ConocoPhillips Trinidad & Tobago Holdings Inc.) and Pan West. The Joint Venture Agreement provided for, amongst other things: the establishment of Phoenix Park; the shareholdings issued by Phoenix Park in favour of NGC NGL, TT Holdings LLC and Pan West in consideration of their respective initial investments; and the financing of the development of the project (which included the construction and operation of Phoenix Park's gas processing plant) through both shareholder loans and capital injections. As the construction of the plant was completed in 1991, the provisions of the Joint Venture Agreement, which remain applicable as at the date of this Prospectus, relate primarily to: the nature of contracts which Phoenix Park may be authorised to enter into; the appointment of the President of Phoenix Park; establishment of the annual budget; confidentiality agreements regarding Phoenix Park's trade secrets; and the payments of dividends by Phoenix Park.

In conjunction with the transfer of TT Holdings LLC's 39.0% Effective Ownership Interest in Phoenix Park to the Company, NGC NGL, and Pan West entered into an Enjoining Agreement dated as of 27 February 2014 by which the Company became a party to the Joint Venture Agreement. This being the case, the Joint Venture Agreement will continue.

Company Strengths and Highlights

The Company's management believes that the following describes the key strengths and highlights of the Company and its investment in Phoenix Park:

Extensive Knowledge of and Expertise in the Natural Gas Industry: the Company benefits from a highly experienced senior executive team and Board of Directors, comprised of individuals who have been heavily involved in the business of NGC or the Trinidad and Tobago energy sector. The Company's CFO, Mr. Sheldon Sylvester, has over twenty (20) years of experience in the areas of finance and accounting and has worked at Phoenix Park for over twelve (12) years. The Company's Board of Directors includes individuals who are well known for their operating experience in the energy sector. Together, they bring a strong understanding of and vast operating experience in Trinidad and Tobago's natural gas and energy sector.

Board Members: The Company's holders of Class B Shares are entitled to elect two (2) Directors to the Company's Board of Directors, provided that NGC's holdings of Class A Shares remains as 25% or more of the total issued shares of the Company. These Directors are independent of the Company and of NGC, in that these Directors will be elected by the Public.

However, any holder or holders of ordinary shares in the Company who either alone or in combination with other holders hold, in the aggregate, not less than:

- 5.0% of the issued share capital of the Company; or
- 5.0% of the shares of a class of shares of the Company

and entitled to vote at a meeting of shareholders of the Company or of a class of shares of the Company, shall be entitled, by a proposal signed by the relevant holders and submitted to the Company prior to a meeting of shareholders, to nominate individuals to serve as Directors.

Therefore, subsequent to the closing of the Offer in accordance with the Articles, NGC, as a holder of more than 5.0% of the total share capital of the Company, will also have the power to nominate such independent Directors for election by the holders of Class B Shares.

Consistent Historical Distribution of Dividends: Phoenix Park is a nationally recognized company that has been profitable and has distributed dividends to shareholders in each of the past twenty-six (26) years of its operation. Phoenix Park is expected to maintain its profitability in future years, subject to the risks highlighted in Section 5.3 – "Risks Associated with the Company's Interest in Phoenix Park", and supported by the following factors:

- Strong financial and operational performance with low break-even prices for propane, butane, and natural gasoline;
- Experienced sponsors and a supportive host country, with significant deterrents to sovereign interference in the flow of export proceeds;
- Processed volumes are forecasted to remain stable over the medium term supported by feedstock contracts with NGC through 2029;
- Expected growth in export-oriented downstream natural gas consumption, despite cyclical volatility;
- Indexed supply contract pricing with NGC contributes to the preservation of margins against commodity price fluctuations; and
- Fixed-capacity payments from Atlantic LNG and Petrotrin potentially mitigate the commodity and volume risk exposure.

3.3 Summary Business Overview of the Company's Interest in Phoenix Park

Phoenix Park's core business consists of natural gas processing, NGL aggregation, fractionation and product marketing. Phoenix Park operates Trinidad and Tobago's only natural gas processing and NGL fractionation plant. It is the largest producer and marketer of propane, mixed butane, isobutane and natural gasoline in Trinidad and Tobago.

Phoenix Park's business model is based on three (3) main revenue streams:

- Revenue from gas processing is derived by extracting BTUs from natural gas suppliers' wet natural gas in the form of NGLs, fractionating the NGLs into the component products, retaining and marketing these products. Residue gas is returned to the natural gas suppliers, who are compensated for the extracted BTUs.
- Revenue from ALNG is generated by fractionating NGLs purchased from ALNG 1 and ALNG 2/3 and marketing these products. Phoenix Park earns the difference between the price it pays to ALNG 1 and ALNG 2/3 for NGLs and the weighted average price it receives for selling the products.
- Third-party processing/capacity fees are based on two sources. Firstly, under an arrangement with ALNG 4, Phoenix Park earns a processing fee for fractionating the NGLs stream from ALNG 4 into products and delivering such products back to ALNG 4. Secondly, under an agreement with Petrotrin, Phoenix Park receives a fee for maintaining the capacity to fractionate its mixed butane stream to produce isobutane and for delivering such isobutane to Petrotrin.

Phoenix Park occupies a strategic position in Trinidad and Tobago's natural gas industry that has allowed for its consistent performance track record. Being the largest producer of natural gas liquids in Trinidad and Tobago has been the basis of Phoenix Park's growth strategy since the commencement of its operations in 1991. Since then, Phoenix Park has successfully executed a number of enhancement and expansion projects to take advantage of the growth in its suppliers' gas production levels and the growth in downstream consumer gas demand.

Phoenix Park's operations are managed by a leadership team that is comprised of highly experienced industry personnel. The leadership team has an average tenure with Phoenix Park and an average industry experience of fourteen (14) and twenty-three (23) years, respectively. Phoenix Park currently employs approximately 182 employees.

At the date of the Offer, Phoenix Park is owned by NGC NGL (Effective Ownership Interest of 51.0%), the Company (Effective Ownership Interest of 39.0%) and Pan West (Effective Ownership Interest of 10.0%).

NGC NGL is a holding company incorporated by NGC on 29 June 2000 for the purpose of holding a 51.0% Effective Ownership Interest in Phoenix Park. NGC NGL is owned by NGC (Effective Ownership Interest of 80.0%) and by NEL (Effective Ownership Interest of 20.0%).

NEL is an investment holding company incorporated on 27 August 1999 by GORTT in order to consolidate GORTT's shareholdings in select state enterprises. NEL is listed on the TTSE and it is also 66.0% effectively owned by GORTT and 17.0% effectively owned by NGC. 17.0% of its share capital is held by the general public.

Pan West is a Trinidad and Tobago-based holding company which has a 10.0% Effective Ownership Interest in Phoenix Park. Pan West is owned by an investment consortium comprising NIBTT, NEL, and UTC.

NGC, which is owned by GORTT, has been involved in the natural gas industry since 1975 and controls the distribution and sales of natural gas, excluding LNG, in Trinidad and Tobago.

As of the date of this Prospectus, NGC controls 63.0% of Phoenix Park through its 51.0% Effective Ownership Interest in the Company, together with its 80.0% ownership of NGC NGL and its 17.0% ownership of NEL. Supplemental information on Phoenix Park is presented in the Appendices II to VII of this Prospectus.

4 | Information on **Shareholders, Directors and Key Management**

4.1 Shareholders and Promoters

NGC, in its capacity as the Selling Shareholder, is deemed the promoter for the purposes of the Offer in accordance with the Securities Act. NGC's promotion of the Offer is in support of the mandate by GORTT to provide Investors with increased access to equity securities listed on the TTSE.

As of the date of the Offer, NGC effectively holds 51.0% of the shares issued by the Company (see Section 2.3 – "Securities Being Offered" for further details) including the residual Class B Shares that are the subject of the Offer. As such, NGC will receive 100% of the proceeds of the Offer, as described in Section 2.5 – "Use of Proceeds".

After the Offer, if fully subscribed, in addition to its holding in the Company, NGC will continue to hold a 52.9% Effective Ownership Interest in Phoenix Park through its combined interest in the Company, NGC NGL and NEL.

4.2 Directors

As at the date of the Offer, NGC holds a 51.0% Effective Ownership Interest in the Company comprising 100% of the Class A shareholding and 34.7% of the Class B shareholding. As a consequence, NGC is entitled to appoint three (3) Directors to the Board. Class B shareholders are entitled to appoint two (2) Directors to the Board.

After the close of the Offer, if fully subscribed, provided that NGC continues to hold 25.0% or more of the total shareholding in the Company, NGC shall be entitled to annually appoint three (3) Directors to the Company's Board.

The Company's current Board of Directors was elected at the Annual General Meeting on 25 April 2017 for a one (1) year term.

For further details on the shareholders' rights to appoint the Company's Directors, refer to Section 2.3 – "Securities Being Offered". The following table shows the names and positions of the Company's Directors as of the date of this Prospectus.

Included are details of shareholdings of Directors and Senior Officer with an interest in the Company as at 31 December 2016, together with the shareholdings of their connected parties.

Shareholdings of Directors and Senior Officer

Name	Position	Ordinary Shareholding- Class B Shares	Connected Parties- Class B Shares	Share- holding %
Mr. Gerry C. Brooks	Chairman	5,000	8,418	0.01%
Mr. Kenneth Allum	Director	5,694	4,770	0.01%
Prof. Andrew Jupiter	Director	4,770	4,308	0.01%
Mr. Ashmeer Mohamed	Director	4,771	5,770	0.01%
Mr. Vivek Charran	Director	NIL	NIL	-
Mr. Sheldon Sylvester	CFO	5,000	1,461	0.00%

The credentials of the Company's Directors are summarized as follows:

Mr. Gerry C. Brooks

Mr. Gerry C. Brooks is the Chairman of the Board of Directors of NGC and PPGPL. Mr. Brooks also serves as a Member of the Board of Directors of NEL and TSTT. He is also a Member of the Finance and Investment Committee of NEL and a Member of the Tenders Committee of TSTT.

Mr. Brooks retired as the Group Chief Operating Officer of the regional conglomerate and publicly held ANSA McAL Group, with effect from 31 May 2015. Mr. Brooks no longer holds any Board positions in the ANSA McAL Group.

Mr. Brooks is an Attorney-at-Law and has served as the Vice President of the Law Association of Trinidad and Tobago for the past four (4) years. A graduate of the Hugh Wooding Law School and the University of the West Indies, he was recently awarded the title of 'Distinguished Alumnus' of the University of the West Indies. Mr. Brooks is also a graduate of Columbia University where he obtained an MBA, Dean's Honour Roll. As a former Deputy Chairman of the Caribbean Court of Justice Trust Fund, he also chaired its Finance and Investment Committee for ten years.

A regional thought leader, he is the former President of the Family Planning Association. He has been honoured by Rotary International, his Alumni, Queen's Royal College and other key institutions in Trinidad and Tobago and abroad. He is also a member of the Standing Committee on Energy of the Cabinet of Trinidad and Tobago.

Mr. Kenneth Allum

Mr. Kenneth Allum is a Chemical Engineer with thirty-eight (38) years' experience in the Petroleum and Petrochemical Industry at all levels. Among the various positions held throughout his career, he worked as a Senior Technologist from 1981 to 1987, and then as an Assistant to the Managing Director from 1987 to 1990 at Trinidad and Tobago Oil Company Limited ("TRINTOC").

Most recently, Mr. Allum worked at Petrotrin, initially serving as the Vice President of Refining and Marketing (2008-2009) and, thereafter, as President (2009-2012). As President of Petrotrin, Mr. Allum was responsible for the company's strategic goals, working with all stakeholders to develop and implement the company's business objectives to maximize shareholder value. At the helm of the company, he was able to develop a highly motivated, business-oriented and customer-driven organization.

In the course of his service at the respective companies, Mr. Allum has had extensive technical and management training and has attended numerous international meetings and conferences.

Professor Andrew Jupiter

Professor Andrew Jupiter received a BSc. in Natural Sciences and a Post-Graduate Diploma in Petroleum Engineering from the University of the West Indies ("UWI") and also holds a Masters of Engineering Degree in Mineral Engineering Management from Pennsylvania State University.

Professor Jupiter served as Permanent Secretary, Ministry of Energy, from 1998 to 2004. Prior to this appointment, he held several senior positions at the Ministry, including Senior Petroleum Engineer, Director – Operations and Director – Energy Planning.

Starting as the Vice President of Business Development, Professor Jupiter first joined National Energy in 2004. He then served as President from 2009 to 2012.

In addition to these posts, Professor Jupiter held the position of Director on several state boards, and led the GORTT's team in its initiative to provide several African countries with technical guidance in the development of their respective petroleum sectors. He is currently attached to the Department of Chemical Engineering at UWI, is the holder of the Trinidad and Tobago Methanol Company ("TTMC"), Chair in Petroleum Engineering, and serves as an Energy Consultant. In September 2015, Professor Jupiter was appointed a Board Member of NGC and Chairman of Petrotrin.

Throughout his career, Professor Jupiter was awarded by multiple associations, notably the Society of Petroleum Engineers ("SPETT"), and was conferred the honorary title of 'Distinguished Fellow' by UWI in 2013.

For his outstanding achievements over several decades of dedicated public service, Professor Jupiter was awarded the Chaconia Medal (Gold) at the National Awards Ceremony, held on 31 August 2016.

Mr. Ashmeer Mohamed

Mr. Ashmeer Mohamed, Director and Corporate Secretary of K.C. Confectionery Limited, has thirty (30) years of experience in international marketing. He also has more than twenty-one (21) years' experience in Customs Brokerage and Intellectual Property.

Mr. Mohamed is presently the Deputy Chairman of the Committee of the Valuation of Intellectual Property Office of the Ministry of Legal Affairs, and a Director of the Trinidad and Tobago Manufacturers' Association.

Mr. Mohamed is the Director of International Products Limited, a member of the Association of Business Executives and the Chairman of the Couva Development Committee and past President of the Couva/Point Lisas Chamber of Commerce. Mr. Mohamed is also Chairman of the National Export Facilitation Organisation of Trinidad and Tobago (ExportTT).

Mr. Vivek Charran

Mr. Vivek Charran has been a Director of Charran's Bookstores for eighteen (18) years. He has a BA Hons. in Law and History from the University of Kent, Canterbury, England, and an MBA from the Arthur Lok Jack Graduate School of Business.

He is currently serving as the President of the San Juan Business Association and is Treasurer of the Book Industry Organization of Trinidad and Tobago.

4.3 Key Management

Both NGC and Phoenix Park provide ongoing support to the Company under the terms of Memoranda of Agreement and through the appointment of the CFO, who is an employee of PPGPL. This team, together with the Company's Corporate Secretary, Aegis Business Solutions Limited, perform the operating and reporting duties for the Company.

The Company has one appointed officer which is the CFO.

Mr. Sheldon Sylvester – Chief Financial Officer

Mr. Sheldon Sylvester has over twenty-one (21) years' experience in Finance and Accounting in both the manufacturing and energy sectors. He has worked at Phoenix Park for over twelve (12) years with responsibility for budgeting, forecasting, debt and treasury management. Mr. Sylvester is currently the acting Vice President – Finance & Administration at National Energy. He is a holder of a Master of Business Administration from Heriot-Watt University, holds professional membership with the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) and is a Fellow of the Association of Chartered Certified Accountants (ACCA).

4.4 Other Matters Regarding Directors and Officers

Remuneration of Directors and Officers

The Company's By-Laws provide for the remuneration policy of its Directors and Officers which is aligned with the regulations in the State Enterprises Performance Monitoring Manual in order to ensure transparency and consistency with NGC, its principal shareholder.

The remuneration scales for state-owned enterprises are determined by GORTT, which delegated the responsibility for the classification of the boards to the Minister of Finance. The specific criteria are as follows:

- Complexity of organization
- Level of responsibility and accountability
- Scope of organization
- Importance to the national development thrust
- Special qualification required

As at the date of this Prospectus, the monthly fees payable to TTNGL Board members pursuant to GORTT's remuneration policy are as follows:

- Chairman: TT$ 6,500
- Director: TT$ 3,200

In addition to these monthly fees, Board members are provided with certain monthly allowances or reimbursements related to reasonable travel costs within Trinidad, the limits of which are as follows:

- Chairman: TT$ 1,000
- Director: TT$ 500

The Company also meets any reasonable costs associated with the attendance at Board meetings.

Indemnification

Under the Companies Act, Directors and Officers may be indemnified by the Company for any liability incurred by them for any acts they take (or do not take) in the performance of their duties unless such liability is the result of willful neglect or failure to act on the part of the relevant Director or Officer. The Company has an insurance coverage for Directors' and Officers' liability.

4.5 Corporate Governance

As at the date of this Prospectus, the Company's Board of Directors has instituted one standing committee, the Audit Committee.

Audit Committee

The Audit Committee assists the Company's Board of Directors to monitor the:

- Integrity of the Company's financial statements and public disclosures;
- Company's compliance with legal and regulatory requirements, and code of conduct;
- Performance and independence of the Company's internal and statutory/external auditors;
- Adequacy and quality of corporate governance, risk management and control processes;
- Company's corporate governance processes, business conduct, ethics and compliance; and
- Company's internal and external auditing, accounting and financial reporting processes generally.

Consistent with its functions, the Audit Committee encourages continuous improvement of, and fosters adherence to, the Company's policies, procedures, values and best practices at all levels. Adherence to legal, regulatory and contractual requirements is also fostered.

The Audit Committee serves as an independent and objective party to monitor the Company's auditing activities, financial reporting process and internal control system.

The Audit Committee is authorized and empowered to:

- Recommend the engagement of an independent counsel or other advisers to the Board as it deems necessary and appropriate. These advisers will report directly to the Audit Committee and the level of compensation for services received is to be established and agreed to by the Audit Committee in accordance with the Company's procurement procedures;

- Recommend the appointment, compensation, and oversight of the work of the statutory auditors employed by the Company to conduct the annual audit. The firm will report directly to the Audit Committee;

- Recommend policy and charters concerning the audit function as provided by the management to the Board of Directors for approval;

- Resolve any disagreements between the management and the statutory auditors regarding financial statements;

- Pre-approve all auditing and permitted non-audit services performed by the Company's statutory auditors;

Audit Committee (continued)

- Delegate authority to the subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full committee at its next scheduled meeting;
- Authorize investigations into any matters within its terms of reference, charter and scope of responsibility;
- Recommend the engagement of an independent counsel, accountant or other advisers to the Board as it determines necessary to carry out its duties or assist in the conduct of investigation;
- Seek any information it requires from any employees and any company controlled or managed by the Company, all of whom are directed to cooperate with the Audit Committee's requests or from external parties; and
- Meet with the Company's Officers, statutory/external/internal auditors, or outside counsel, as necessary.

Members of the Audit Committee: In compliance with the Securities Act and the Companies Act, the Company's Audit Committee must be composed of not less than three (3) Directors of the Company, the majority of whom are not Officers or employees of the Company or any of its affiliates within the meaning of the Companies Act.

In accordance with the foregoing, the Company's Audit Committee consists of the following members as at the date of this Prospectus:

- Mr. Ashmeer Mohamed (Chairman)
- Mr. Kenneth Allum; and
- Mr. Vivek Charran

Two (2) members of the Audit Committee shall constitute a quorum.

5 | **Risk** Factors

5 Risk Factors

The Company faces a variety of risks. Some of these risks are related to the nature of the Company, which operates as a holding company. Other risks are related to the nature of the Offer.

A shareholder in the Company also faces risks associated with the Company's investment in Phoenix Park (i.e. the risks inherent in the business of Phoenix Park or the industry in which Phoenix Park operates).

Described below are certain risks that could affect the Company materially or adversely. Selected risks associated with Phoenix Park are subsequently described.

These risks and uncertainties are not the only ones facing the Company. Other risks and uncertainties that the Company does not presently consider to be material, or of which the Company is not presently aware, may become important factors that affect the Company's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, financial condition, financial performance or cash flow of the Company. Investors in the Securities Offered should carefully consider these risks before investing.

5.1 Risks Associated with the Company

Nature of Investment

The Securities Offered represent a fractional, indirect interest in Phoenix Park and do not represent a direct investment in Phoenix Park's net assets. Therefore, an investment in the shares of the Company should not be viewed by Investors as direct securities of Phoenix Park's assets. As a holder of the Company's shares, the Investor will not be entitled to participate in any meeting or vote of the shareholders of Phoenix Park, and as such have limited shareholder rights in relation to the corporate and operating decisions of Phoenix Park.

Limited Control

The Offer contemplates that NGC shall offer 26.0% of its effective shareholding in the Company to the public by way of the sale of 40,248,000 Class B Shares. As the holder of the Class A Shares, NGC has Control of the Company's Board by virtue of the right attached to the Class A Shares to elect three (3) of the five (5) Directors. While NGC maintains Control of the Company's Board of Directors, shareholders other than NGC will have limited control over changes in the Company's policies and operations, save and except in respect of decisions which, pursuant to the Articles, require the approval of both classes of shareholders.

Limited control by holders of Class B Shares may represent an increased level of the uncertainty and risk of investment in the Company. The Board of Directors will determine major policies, including policies regarding financing, growth, debt capitalization and the distribution of dividends. The Board of Directors may amend or revise these and other policies without a vote of the shareholders. The Board of Directors' discretion in setting policies and individual shareholders' inability to exert control over those policies may increase the uncertainty and risks of an investment in the Company.

Significant Ownership by NGC

On closing of the Offer, it is expected that NGC will hold an approximate 25.0% Effective Ownership Interest in the Company through ownership of 38,700,000 Class A Shares. The Articles entitle NGC to nominate to the Board one (1) to three (3) Directors depending on the percentage of the Class A Shares it holds in the Company.

A simple majority of the Company's Directors is entitled to appoint two (2) Directors to Phoenix Park's Board of Directors, by virtue of the Company's ownership of the PPGPL Class B shares.

Both NGC's significant ownership interest in the Company and certain restrictions set out in the Articles may effectively preclude or substantially discourage transactions involving a change of control of the Company.

As the holder of Class A Shares, NGC may be biased to act in its own best interest, which may or may not be the same as the Company's interests in all cases. The Companies Act offers a degree of relief to minority shareholders from oppression.

Financial Reporting and Other Public Company Requirements

As a publicly traded entity, the Company is subject to reporting and other obligations under the applicable Trinidad and Tobago securities laws and the rules of the TTSE. These reporting and other obligations place significant demands on the Company's management, administrative, operational and accounting resources, including those provided pursuant to the Memorandum of Agreement with NGC. The Company is partially reliant on PPGPL, pursuant to the Memorandum of Agreement with PPGPL, for certain financial reporting and internal control functions.

Any failure of the Company, or its service providers, to maintain effective internal controls could cause the inability of the Company to meet its reporting obligations or result in material misstatements in its financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed which could also cause investors to lose confidence in the Company's reported financial information, which could result in a reduction in the trading price of the shares. For information relating to Phoenix Park's internal controls, reference is made to the Management Discussion and Analysis of Phoenix Park presented in Appendix VII - "Historical Financial Information – Phoenix Park".

Management does not expect that the Company's controls, procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in any control system, no evaluation of these controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two (2) or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all.

Risks Associated with the Memorandum of Agreement

The Company relies on NGC and PPGPL with respect to the provision of certain services for the operations, administration and management of the Company, under separate Memoranda of Agreement. This means that certain of the Company's day-to-day operational and property management matters will be dependent upon NGC's and PPGPL's ability to successfully identify, train, supervise and manage its personnel and its ability to maintain its operating systems. If NGC or PPGPL fails to perform its obligations under the respective Memorandum of Agreement, or the scope of services offered under the Memorandum of Agreement are inadequate, then the Company may experience a material adverse impact on its business operations.

The Memoranda of Agreement are valid until such date that the Company elects to terminate this arrangement.

Litigation Risks

While the Company has only a recent operating history, in the future, during the normal course of its operations, whether directly or indirectly, the Company may become involved in, named as a party to, or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. The outcome with respect to these potential future proceedings would be difficult to predict and may be determined in a manner adverse to the Company and, as a result, could have a material adverse effect on its assets, liabilities, business, financial condition and financial performance. Even if the Company prevails in any such legal proceedings, the proceedings could be costly which could have a material adverse effect on its cash flows, financial condition or financial performance and its ability to make distributions to shareholders.

As at the date of this Prospectus the Company is not party to any material legal proceedings.

Currency Risk

The Company is exposed to currency risk due to movements in the TTD relative to the USD. The Company earns its income in USD and reports in TTD, and therefore, the appreciation or depreciation of the TTD has an impact on reported earnings. Management monitors its exposure to foreign currency fluctuations on a continuous basis and employs appropriate mitigation strategies.

5.2 Risks Associated with the Offering

Return on Investment and Cash Distributions are Not Guaranteed

The Company's cash flow is dependent on the ability of Phoenix Park to pay dividends. Should Phoenix Park opt not to make distributions to its shareholders, or should future distributions by Phoenix Park be of a lower amount than historical dividend levels, the change may have a material adverse effect on the Company's financial performance and its ability to distribute dividends.

There can be no assurance regarding the amount of cash flow and income to be generated by the Company's investment in Phoenix Park. The ability of the Company to make cash distributions to shareholders, and the actual amount distributed, will be entirely dependent on whether it will receive dividends from Phoenix Park in the future.

The shares in Phoenix Park are equity securities and are not traditional fixed income securities. Unlike fixed income securities, there is no obligation by Phoenix Park to distribute to shareholders any fixed amount and there is no promise to return the initial purchase price of a share on a certain date in the future, and reductions in, or suspensions of, cash distributions may occur at any time that would reduce the yield based on the Offer Price. The market value of the Class B Shares will deteriorate if the Company is unable to meet investor expectations for dividends in the future, and that deterioration may be significant. In addition, the composition of cash distributions for tax purposes may change over time and may affect the after-tax return for investors. Therefore, the rate of return over a defined period for a shareholder may not be comparable to the rate of return on a fixed income security that provides a ''return on capital'' over the same period.

Lack of Operating History

While its underlying investment, Phoenix Park, is a company with over twenty-six (26) years of operating history, the Company is a recently incorporated entity set up to hold a 39.0% Effective Ownership Interest in Phoenix Park. As a result, the Company may experience significant fluctuations in its earnings in the future. No assurance can be given that the Company will be successful in implementing its business strategy or that it will achieve expected future operating results which could have a material adverse effect on the Company's cash flow, financial condition or financial performance and its ability to make distributions to shareholders.

Potential Volatility of Share Prices

The market price for shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's Executive Officers, Directors and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding shares or securities convertible into shares; (vi) sales or perceived sales of additional shares or securities convertible into shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) future reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Another factor that may influence the market price of the shares is the annual yield on the shares. An increase in market interest rates may lead purchasers of shares to demand a higher annual yield, which accordingly could materially adversely affect the market price of the shares.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's governance, environmental and social practices and performance against such institutions' respective investment guidelines and criteria. Failure to meet such criteria may result in limited or no investment in the shares by those institutions, which could materially adversely affect the trading price of the shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the Company's operations could be materially adversely impacted and the trading price of the shares may be materially adversely affected.

Dilution

The number of shares that the Company is authorized to issue is unlimited. The Board of Directors of the Company may, in its sole discretion, issue additional shares from time to time (including pursuant to any employee incentive compensation plan that may be introduced in the future), and the interests of shareholders may be diluted thereby. If the Company issues additional shares in the future, such issuance may have a dilutive effect on the interests of shareholders.

Asset Class Diversification

The Company's investment will not be widely diversified by asset class or industry. All of the Company's investments will be in Phoenix Park, save and except in respect of approved short-term investments in which dividends received from Phoenix Park may be invested from time to time at the discretion of the Board of Directors. A lack of asset class diversification increases risk because the investment will be subject to all of the risks to which Phoenix Park is exposed. Refer to Section 5.3 – "Risks Associated with the Company's Interest in Phoenix Park".

Reliance on Key Personnel

The management and governance of the Company depend on the services of certain key personnel, including certain Executive Officers and the Directors. The Company will rely on the Memorandum of Agreement to supply necessary services to operate the Company, including financial reporting and controls. Failure to receive these services, or the requirement to replace the service provider in a short period of time, could have a material adverse effect on the Company. The Company may not solicit any NGC employees for a period of one (1) year after termination of these contracts, so that if such contracts are terminated, the Company will have to recruit from other sources if NGC will not provide consent. External pressures and/or ineffective internal human resource practices can negatively impact the Company's ability to attract and retain sufficiently appropriately skilled people who have the expertise to support the achievement of the Company's strategic objective.

5.3 Risks Associated with the Company's Interest In Phoenix Park

The financial performance of every business is subject to a degree of risk. An investment in equities results in the shareholder sharing in both the risks and rewards of ownership in the business. Following is a discussion of selected risks of Phoenix Park.

Exposure to fluctuations in NGLs prices

Except for the ability to exert a limited degree of influence over its price differential, Phoenix Park is a price taker. Therefore, volatility in MBV prices will impact its earnings.

Phoenix Park utilizes the MBV price reference in pricing its product sales to its NGLs markets. MBV product prices have experienced a sustained decline over the past two (2) years. The pricing volatility is caused by a series of factors, including:

- The emergence of new sources of NGLs supplies, such as NGLs production from shale gas;
- A decline in demand due to diminishing economic conditions;
- Fluctuations in the demand for NGLs by the petrochemical industry in North America;
- Seasonal weather and temperature changes influencing the demand for propane utilized in house heating; and
- Some de-linking of the close correlation between the MBV price and crude oil prices.

All of these factors are outside of the control of Phoenix Park. However, the negative impact on net earnings of a decline in the MBV price is mitigated by the use of the MBV price in the pricing formula that is used to compute feedstock costs. Consequently, a decline in the MBV price applied to NGLs revenue will result in an offsetting decline in Phoenix Park's feedstock costs.

Significant reliance on key counterparties for inlet gas supply and capacity-based service arrangements

All of the natural gas processed by Phoenix Park is supplied by NGC under a long-term contract. Any disruption to this supply of natural gas will have a material impact on NGLs production, NGLs product sales and consequently NGLs revenue and net earnings. Currently, more than 90.0% of Phoenix Park's net income is derived from the NGLs extracted from the processing of the natural gas supplied by NGC. A disruption in supply can result from the following factors:

- The long-term unavailability of natural gas due to the depletion of Trinidad and Tobago's reserves;
- The short-term unavailability of natural gas due to temporary disruptions by gas producers or downtime of the petrochemical facilities on the Point Lisas Industrial Estate;
- The non-renewal of existing supply contracts between NGC and the various gas producers;
- The non-renewal of existing supply contracts between NGC and the various gas consumers; and
- A disruption in the NGC gas pipeline transmission network.

Phoenix Park is unable to influence the volume of gas supplied by NGC and therefore any decline in the volume of supply will adversely affect the operating results of its business.

The nature of Phoenix Park's business is subject to typical operating risks in the natural gas industry

Phoenix Park's current operations are subject to the risks normally associated with the operation and development of natural gas processing systems and facilities, including mechanical failure, physical degradation, operator error, manufacturer defects, sabotage, terrorism, failure of supply of feedstock, weather, wind or water resource deviation, catastrophic events and natural disasters. The occurrence or continuation of any of these events could cause unplanned downtime, increase Phoenix Park's costs and reduce its ability to process, fractionate and market NGLs.

Phoenix Park has a robust asset integrity program and process safety management system that is designed to achieve and sustain high on-line levels. Over the past five (5) years, Phoenix Park has consistently achieved on-stream factors in excess of 95.0% on its gas processing facilities and in excess of 98.0% on its fractionation facilities. These programs are complemented by Phoenix Park's safety culture, which Phoenix Park's management believes have enabled it to continuously maintain its position as the leader in process safety and environment management in the local energy sector and among the best in the international gas processing industry for over sixteen (16) years. Phoenix Park has achieved twenty-six (26) years of operations with just three (3) lost time incidents on the facility.

NGLs content of inlet gas supply may impact future production levels

Phoenix Park's NGLs production is a function of the quantity of liquids contained in the natural gas stream supplied by NGC. A higher liquid content in the inlet gas will result in higher NGLs production and consequently higher net earnings. Over the past five (5) years, there has been a steady decline in the natural gas liquid content delivered to Phoenix Park's facility, which has been offset in part by higher inlet gas volume. In Q3 2016 this decline in liquid content reversed and increased by 16% as at Q1 2017 and this is expected to remain at this level through 2017. While gas exploration continues, there are no assurances as to the future quantity of liquids that will be contained in the natural gas stream supplied by NGC.

Sustained reduction in price differentials

Phoenix Park sells its Products at a differential to the MBV price. For the twelve (12) months ended 31 December 2016, this differential for all three Products was at a premium to the MBV price. These existing differentials may be eroded due to:

- Increased competition in the markets that Phoenix Park serves;
- The presence of contaminants such as arsenic, sulphur and benzene in Products; and
- Impacts to the reliability of supply from Phoenix Park, including inefficient port operations and the inability to meet contractual obligations with NGLs customers.

Quality specifications of the natural gas liquids stream

Since 2007, Phoenix Park has seen the presence of arsenic, sulphur and benzene in its feedstock supplies.

These elements concentrate in the natural gasoline product where it has the potential to cause a reduction in the netback value for natural gasoline. Further, as environmental standards across the world are increasing, there is the risk that Phoenix Park may experience difficulty in finding a viable market for this product.

Phoenix Park also has an agreement in place with ALNG 4 to accept a revised sulphur specification for a combined NGL stream to 31 July 2018 pursuant to which it receives a monthly payment. Phoenix Park has also waived the sulphur specification for a combined NGL stream to 31 July 2018 in its agreements with ALNG 1 and ALNG 2/3.

Exposure to fluctuations in global demand for natural gas exports from Trinidad and Tobago

Phoenix Park is exposed to changes in demand for NGLs. Demand is influenced by factors such as global economic conditions and the planned natural gas projects currently underway in Latin America, the Middle East, and increased shale gas production in the US.

Customer Commitments

Phoenix Park derives its revenue from a combination of term and spot contracts with customers. These contracts are typically for a term of one (1) to three (3) years and include minimum volume requirements. Any inability on Phoenix Park's part to meet the performance requirements of its agreements with these customers could result in the termination or reduction in scope of such agreements or a reduction in netback value when these contracts are renewed.

Customer Concentration

Phoenix Park's revenue is generated from a group of ten (10) to fifteen (15) customers in any given year. Any decline in Phoenix Park's working relationship with these customers could have a material adverse effect on the business, financial condition and financial performance.

While Phoenix Park has a number of customers for propane and butane who may willingly take up any surplus product at short notice, some degree of customer concentration risk exists with respect to the sale of natural gasoline to Glencore PLC, which represented approximately 39% of revenue for the twelve (12) months ended 31 December 2016. Glencore is one of the largest global diversified natural resource commodity companies in the world, producing and trading more than 90 commodities. The Glencore contract will be up for renewal in 2020.

The customer concentration for natural gasoline exposes Phoenix Park's revenue to some risk. This risk is mitigated to a certain extent by Phoenix Park's natural gasoline storage capacity which equates to thirty-five (35) days of on-site storage at current levels of production and the access to other natural gasoline off-takers who also lift products at Phoenix Park's dock facility.

Debt Service and Interest Rates

Phoenix Park has in the past, and may, from time to time, continue to finance a significant portion of its capital projects through debt. Any significant increase in potential cash requirements to service new debt obligations may have an impact on Phoenix Park's ability to distribute dividends to shareholders. Loans to Phoenix Park or its affiliates are subject to customary covenants and financial tests which may in certain circumstances restrict Phoenix Park's ability to make dividend payouts to shareholders.

However, Phoenix Park is somewhat insulated from market fluctuations in interest rates because its current debt financing is at fixed interest rates. Phoenix Park's debt service coverage ratio has declined from 6.3 in 2010 to 4.25 in 2016, as a result of the debt restructuring and falling net income over the last 5 years.

Key Personnel

Phoenix Park's success has been largely enabled by the skills, competencies and expertise of its key personnel. Its continued success will be dependent on its ability to retain such personnel and to attract additional talented personnel to the organization. Access to a sustained labour market, from which to attract the required expertise, knowledge and experience, is a critical factor to Phoenix Park's success.

Litigation Risks

Phoenix Park may, in the normal course of its operations, whether directly or indirectly, become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to these potential future proceedings would be difficult to predict and may be determined in a manner adverse to Phoenix Park and, as a result, could have a material adverse effect on its assets, liabilities, business, financial condition and financial performance. Even if Phoenix Park prevails in any such legal proceedings, the proceedings could be costly which could have a material adverse effect on its cash flow, financial condition or financial performance and its ability to make distributions to shareholders.

Phoenix Park is not party to any material legal proceedings other than the Tax matters noted in the Audited Financial Statements for the year ended 31 December 2016, Note 18 Commitments and Contingencies.

6 | **Financial** Information

6.1 Statement of Management's Responsibility for the Preparation of Four Year Summary Financial Statements to 31 December 2016

It is the responsibility of management to prepare the Four Year Summary Financial Statements to 31 December 2016 which present fairly, in all material respects, the state of affairs of Trinidad and Tobago NGL Limited (the "Company") as at the end of each financial year and the operating results of the Company for the years then ended. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of the Four Year Summary Financial Statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the Four Year Summary Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Gerry C. Brooks
Chairman

17 May 2017

Sheldon Sylvester
Chief Financial Officer

17 May 2017

6.2 Accountant's Report on Four Year Summary Financial Statements to 31 December 2016

Deloitte.

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Report of the Independent Auditor on the Summary Financial Statements
To the Shareholders of Trinidad and Tobago NGL Limited

Opinion

The summary financial statements, which comprise the summary statements of financial position as at December 31, 2013, 2014, 2015 and 2016, the summary statements of profit and loss and other comprehensive income, summary statements of changes in equity and summary cash flow statements for the years then ended, and related notes, are derived from the audited financial statements of Trinidad and Tobago NGL Limited for the respective years.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis of management's established criteria described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed unmodified audit opinions on the audited financial statements in our reports dated April 30, 2014, May 6, 2015, March 7, 2016 and March 6, 2017. The report dated March 6, 2017, also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements of the respective year.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis of management's established criteria described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche

Deloitte & Touche
Derek Mohammed (ICATT# 864)

Port of Spain
Trinidad
May 11, 2017

6.3 Four Year Summary Financial Statements to 31 December 2016

Statement of Financial Position

	2016	2015	2014	2013*
	$000	$000	$000	$000
ASSETS				
Non-current assets				
Investment in joint venture	2,985,162	2,827,778	2,730,904	-
Current assets				
Due from parent company	-	415,836	167,586	-
Dividend receivable	13,155	25,036	24,798	-
Deferred tax asset	-	-	-	12
Cash and cash equivalent	366,080	-	-	-
Total current assets	379,235	440,872	192,384	12
Total assets	3,364,397	3,268,650	2,923,288	12
Shareholders' equity and liabilities				
Equity				
Share capital	2,772,120	2,772,120	3,870,000	-
Translation reserve	146,005	(19,194)	(51,125)	-
Retained earnings/(accumulated deficit)	442,529	495,161	(896,149)	(37)
Total shareholders' equity	3,360,654	3,248,087	2,922,726	(37)
Current liabilities				
Due to parent company/related party	3,332	1,104	502	-
Dividends payable	-	19,350	-	-
Trade and other payables	175	58	35	49
Income tax payable	236	51	25	-
Total liabilities	3,743	20,563	562	49
Total equity and liabilities	3,364,397	3,268,650	2,923,288	12

** Financial period 2013 runs from 13 September 2013 to 31 December 2013*

Statement of **Comprehensive Income**

	2016	2015	2014	2013*
	$000	$000	$000	$000
Income				
Share of profit from investment in joint venture	163,955	136,279	345,288	-
Interest income	219	-	-	-
Total Income	164,174	136,279	345,288	-
Expenses				
Impairment reversal/(loss)	17,831	235,195	(1,097,880)	-
Legal and professional fees	(704)	(55)	(35)	(10)
Other expenses	(956)	(282)	(144)	(39)
Profit before taxation	180,345	371,137	(752,771)	(49)
Income tax expenses	(777)	(305)	(348)	12
Profit after taxation for the year	179,568	370,832	(753,119)	(37)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Exchange translation differences, net of tax	165,199	31,931	(51,125)	-
Other comprehensive income for the year	165,199	31,931	(51,125)	-
Total comprehensive profit for the year	**344,767**	**402,763**	**(804,244)**	**-**

** Financial period 2013 runs from 13 September 2013 to 31 December 2013*

Statement of **Changes in Equity**

	Share Capital	Translation Reserve	Retained Earnings/ (Accumulated Deficit)	Total Equity
	$000	$000	$000	$000
Year ended 31 December 2016				
Balance at 1 January 2016	2,772,120	(19,194)	495,161	3,248,087
Profit for the year	-	-	179,568	179,568
Other comprehensive income	-	165,199	-	165,199
Dividends	-	-	(232,200)	(232,200)
Balance at 31 December 2016	**2,772,120**	**146,005**	**442,529**	**3,360,654**
Year ended 31 December 2015				
Balance at 1 January 2015	3,870,000	(51,125)	(896,149)	2,922,726
Capital reduction	(1,097,880)	-	1,097,880	-
Profit for the year	-	-	370,832	370,832
Other comprehensive income	-	31,931	-	31,931
Dividends	-	-	(77,402)	(77,402)
Balance at 31 December 2015	**2,772,120**	**(19,194)**	**495,161**	**3,248,087**
Year ended 31 December 2014				
Balance at 1 January 2014	-	-	(37)	(37)
Issue of share capital	3,870,000	-	-	3,870,000
Profit for the year	-	-	(753,119)	(753,119)
Other comprehensive income	-	(51,125)	-	(51,125)
Dividends	-	-	(142,993)	(142,993)
Balance at 31 December 2014	**3,870,000**	**(51,125)**	**(896,149)**	**2,922,726**
Year ended 31 December 2013*				
Balance at 1 January 2013	-	-	-	-
Loss for the period	-	-	(37)	(37)
Other comprehensive income	-	-	-	-
Dividends	-	-	-	-
Balance at 31 December 2013	**-**	**-**	**(37)**	**(37)**

** Financial period 2013 runs from 13 September 2013 to 31 December 2013*

Statement of **Cash Flows**

	2016	2015	2014	2013*
	$000	$000	$000	$000
Cash flows from operating activities				
Profit for the year before taxation	180,345	371,137	(752,771)	(49)
Adjustments to reconcile net profit for the year to net cash used in operating activities:				
Impairment reversal/(loss)	(17,831)	(235,195)	1,097,880	-
Interest and other investment income	(219)	-	-	-
Share of income from investment in joint venture	(163,955)	(136,279)	(345,288)	-
	(1,660)	(337)	(179)	(49)
Increase/(decrease) due to related party	2,172	602	502	-
Decrease/(increase) in trade and other receivables	436,972	-	-	-
(Decrease)/increase in trade and other payables	(20,035)	23	(14)	49
Cash flows from operating activities	417,449	288	309	-
Taxation paid	(544)	(276)	(310)	-
Net cash generated from operating activities	416,905	12	(1)	-
Cash flows from investing activities				
Interest and other investment income	219	-	-	-
Dividends from joint venture	181,294	-	-	-
Net cash generated from investing activities	181,513	-	-	-
Cash flows from financing activities				
Dividends paid	(232,200)	-	-	-
Net cash used in financing activities	(232,200)	-	-	-
Net Increase/(decrease) in cash and cash equivalents	366,218	12	(1)	-
Net foreign exchange differences	(138)	(12)	1	-
Cash and cash equivalents at beginning of year	-	-	-	-
Cash and cash equivalents at end of year	366,080	-	-	-

** Financial period 2013 runs from 13 September 2013 to 31 December 2013*

Note 1 Basis of preparation

The summary Financial Statements have been prepared by presenting the Statement of Financial Position, Statements of Comprehensive Income, Changes in Equity and Cash Flows exactly as presented in the full set of Financial Statements which were prepared in accordance with International Financial Reporting Standards for the years ended 31 December 2013, 2014, 2015 and 2016. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss to the extent applicable. The Company's investment in joint venture is accounted for using the equity method from the date of acquisition. The summary Financial Statements do not include the accounting policies and the notes that are contained in the full audited Financial Statements. The accounting policies have been amended where applicable for the adoption of new and revised International Financial Reporting Standards as disclosed in the full audited Financial Statements.

6.4 Management Discussion and Analysis on the Four Year Performance

Income

Fiscal year 2016 compared to fiscal year 2015

Share of profit from TTNGL's investment in its underlying PPGPL asset increased by $27.7 million year-on-year to $164.0 million. The improved performance at PPGPL was a result of rationalising expenses in the face of lowered NGL production caused by continued gas supply challenges and lowered NGL product prices. Product prices stabilised in 2016 but were 2% less than 2015. PPGPL reported after tax earnings of US$ 63.3 million for 2016 compared to US$ 55.0 million in 2015.

Fiscal year 2015 compared to fiscal year 2014

Share of profit from TTNGL's investment in its underlying PPGPL asset decreased from $345.3 million to $136.3 million. This decrease was due to lowered performance at PPGPL primarily as a result of lowered NGL product prices. Product prices were 50% lower in 2015 when compared to 2014. PPGPL reported reduced after tax earnings of US$ 55 million for 2015 compared to US$ 166.6 million in 2014.

Fiscal year 2014 compared to fiscal year 2013

Share of profit from TTNGL's 39% investment in its underlying PPGPL asset was $345.3 million for 2014, the Company's first full year of operations.

Impairment

Fiscal year 2016 compared to fiscal year 2015

The Company recorded a modest impairment reversal of $17.8 million in 2016 compared to an impairment reversal of $235.2 million for 2015.

During the year Management engaged an independent expert to conduct an impairment assessment of its investment in PPGPL. This assessment led to the recognition of an impairment reversal of $17.8 million that has been recorded and separately disclosed on the statement of profit or loss and other comprehensive income for the period. This reversal was driven by the implementation of value creating initiatives with third party suppliers.

The recoverable amount of the Company's investment has been determined based on a value in use calculation which uses cash flow projections of PPGPL covering a twenty (20) year period from 2017 to 2036 and a discount rate of 11.90% per annum which was based on an estimate of the weighted average cost of capital. Cash flows beyond the twenty (20) year period have been extrapolated assuming no growth rate after year 2036.

See Note 11 in the TTNGL Audited Financial Statements as at 31 December 2016 for further details on this impairment.

Impairment (continued)

Fiscal year 2015 compared to fiscal year 2014

The Company recorded an impairment reversal of $235.2 million compared to an impairment loss of $1.1 billion for 2014.

During the year Management engaged an independent expert to conduct an impairment assessment of its 39% shareholding investment in PPGPL.

This assessment led to recognition of an impairment reversal of $235.2 million that has been recorded and separately disclosed on the statement of profit or loss and other comprehensive income for the period. The reversal was driven by improvement in the long-term forecast for product prices and gas supply volumes.

The recoverable amount of the Company's investment has been determined based on a value in use calculation which uses cash flow projections of PPGPL covering an eighteen (18) year period from 2016 to 2033 and a discount rate of 12.11% per annum which was based on an estimate of the weighted average cost of capital. Cash flows beyond the eighteen (18) year period have been extrapolated assuming no growth rate after year 2033.

Fiscal year 2014 compared to fiscal year 2013

The Company recorded an impairment loss of $1.1 billion. During the year Management engaged an independent expert to conduct an impairment assessment of its 39% shareholding investment in PPGPL.

This assessment led to the recognition of an impairment loss of $1.1 billion that has been recorded and separately disclosed on the statement of profit or loss and other comprehensive income for the period.

The recoverable amount of the Company's investment has been determined based on a value in use calculation which uses cash flow projections of PPGPL covering a nineteen (19) year period from 2015 to 2033 and a discount rate of 11.94% per annum which was based on an estimate of the weighted average cost of capital. Cash flows beyond the nineteen (19) year period have been extrapolated assuming no growth rate after year 2033.

Exchange translation differences

The exchange translation gains and losses relate to exchange differences arising from the translation of the US$ into the presentation currency of TT$. The table below highlights the movements in the exchange rates from 2013 to 2016:

Financial Year	Exchange Rate as at Reporting Date
2013	6.4385
2014	6.3585
2015	6.4196
2016	6.7459

Capital reduction

Fiscal year 2015 compared to fiscal year 2014

For the quarter ended 31 March 2015, the Company, pursuant to and in accordance with Section 48(1)(c) of the Companies Act, passed a special resolution (which was effected by a unanimous written resolution of the Shareholder) approving a reduction in the stated capital of the Company by the amount of $1.1 billion as the amount of the stated capital which is not represented by realisable assets of the Company. The resolution provided that such amount, which represented the impairment loss recorded in the financial statements for 2014, be deducted from the stated capital account of the Company.

Operating expenses

Operating expenses increased by $1.3 million in 2016. This was mainly due to expenses for listing expenses, coupled with publication and the hosting of the Company's 1st Annual General Meeting in May 2016.

Cash flow from operations

The increase to $417.4 million in 2016 was mainly due to the payment of dividends to the Company for 2014 and 2015 that were held by NGC on TTNGL's behalf. All amounts were paid to TTNGL in 2016.

Cash flow from investing

The increase to $181.5 million was mainly driven by dividends received from PPGPL in 2016. For 2016, PPGPL paid US$70 million to its shareholders with 39% or US$27.3 million being paid to TTNGL.

Cash flow from financing

The decrease of $232.0 million in 2016 was due to payment of a total dividend of $1.50 per share to shareholders.

6.5 Management Discussion and Analysis for the Year Ended 31 December 2016

The following Management Discussion and Analysis ("MD&A") for the Company's financial condition, financial performance and cash flows for the year ended 31 December 2016 should be read in conjunction with the Company's audited financial statements and related notes contained therein as at and for the year ended 31 December 2016. Some of the information contained in this discussion and analysis contains forward-looking statements that involve risk and uncertainties. See "Notice Regarding Forward-Looking Information" on Page 9 and Section 5 – "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Unless otherwise stated, the following discussion is presented in Trinidad and Tobago dollars ("TT$ '000"). This MD&A was prepared as of 6 March 2017.

Summary of 2016 Results

For the period to 31 December 2016, Phoenix Park, the business in which the Company holds a 39.0% Effective Ownership Interest, generated net income after taxes of $420.4 million (US$63.3 million). The Company's share in Phoenix Park's net income was $164.0 million, reflecting its 39.0% Effective Ownership Interest. The Company recorded an impairment reversal of $17.8 million and total comprehensive profit of $344.8 million.

As required by applicable accounting standards, management conducts annual impairment tests to assess the recoverability of the carrying value of the investment in joint venture. Impairment testing has been done for each of the years 2014, 2015 and 2016. The primary drivers for the impairment assessment continues to be the following factors:

- Accessibility of available and more economical sources of energy continued to compress both demand and prices for natural gas products. Alternate energy sources have been more economical in countries with access to energy sources and processing infrastructure within closer proximity. Through industrial and commercial applications these countries were able to tap energy sources at cost levels that were not inhibiting, resulting in overall global supply surpassing demand.
- Challenges of local gas supply in the short to medium term and natural gas liquids ("NGLs") content in the gas stream over the longer term.
- The close correlation between NGL prices and crude oil prices has decreased in recent years due to higher NGL production from shale gas in North America and the commissioning of supplies in other jurisdictions. Consequently, NGL prices have declined in recent years. For 2016, prices have stabilized with only a marginal 2% decrease when compared to the prior year. For 2016, WTI and Brent crude oil prices averaged US$43 and US$44 per barrel respectively. In the prior year, WTI and Brent crude oil prices averaged US$49 and US$52 per barrel respectively. Production continued to outweigh consumption in 2016 with OPEC crude oil production increasing by 0.8 million barrels per day ("bpd") to 32.9 million bpd in 2016.

This assessment led to the recognition of an impairment reversal of $17.8 million that has been recorded and separately disclosed on the statement of profit or loss and other comprehensive income for the period. This reversal was driven by the implementation of value creating initiatives with third-party suppliers.

The recoverable amount of the Company's investment has been determined based on a value in use calculation which uses cash flow projections of PPGPL covering a twenty (20) year period from 2017 to 2036 and a discount rate of 11.90% per annum which was based on an estimate of the weighted average cost of capital. Cash flows beyond the twenty year (20) period have been extrapolated assuming no growth rate after year 2036.

During the year ended 31 December 2016, the Company incurred $1.6 million in administrative and general expenses consisting of Directors' fees, travelling allowance and legal and professional fees. The exchange translation gain of $165 million reported in the statement of profit or loss and other comprehensive income ("OCI") relates to exchange differences arising from the translation of the US$ into the presentation currency (TT$).

Summary Balance Sheet Discussion

The Company acquired an investment (39.0% Effective Ownership Interest) in Phoenix Park as of 27 February 2014 in the amount of $3.8 billion. As at 31 December 2016, this investment in Phoenix Park had a carrying value of $3.0 billion as follows:

	2016	**2015**
	'000	**'000**
Investment as at December 31	2,827,778	2,730,904
Share of Phoenix Park's total comprehensive income	163,955	136,279
Dividends declared	(168,345)	(301,566)
Impairment reversal on investment	17,831	235,195
Exchange rate adjustment	143,943	29,966
Investment in Joint Venture	**2,985,162**	**2,827,778**

Related party transactions

As at 31 December 2016, the Company had related party transactions consisting of $3.3 million in Directors' fees and other administrative expense payable to NGC, and $13.2 million of dividends due from Phoenix Park.

Liquidity

2016 Distributions from Phoenix Park

Monthly dividends declared by Phoenix Park but not paid during the year ended 31 December 2016 totalled $13.2 million (US$ 2.0 million or US$ 0.02 per share held in Phoenix Park). This dividend was paid by Phoenix Park in January 2017.

Liquidity (continued)

2016 Distributions by the TTNGL

During the year ended 31 December 2016, TTNGL declared and paid $232.2 million in dividends to its shareholders on record.

Financial Instruments and Other Instruments

As at 31 December 2016, the Company had current assets in the amount of $379.2 million, comprising $13.2 million due from Phoenix Park for dividends declared but not paid, and $366.1 million in cash and cash equivalents. Additionally, the Company had current liabilities in the amount of $3.3 million related to Directors' fees, travelling allowance, other administrative expenses and taxes paid by NGC, $0.2 million for trade payables (incl. audit fees) and $0.2 million related to income taxes.

Critical Accounting Policies, Judgements and Estimates

The Company's financial statements for the year ended 31 December 2016 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In the application of the Company's accounting policies, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Functional currency of the Company

The Company is an investment holding company and is not engaged in any other activities. Management has analysed primary and secondary factors as guided by IAS 21 The Effects of Changes in Foreign Exchange Rates and has determined that the functional currency of the Company is the US$. This judgement is made on the basis that all of the Company's income is denominated in US$ which is consistent with the functional currency of PPGPL.

Classification of investment held in Phoenix Park as a joint venture

Phoenix Park is a limited liability Company whose legal form confers separation between parties to the joint arrangement and the Company itself.

Key sources of estimation uncertainty

The following is the key assumption concerning the future and other key sources of estimation and uncertainty at the reporting period date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Impairment of investment in joint venture

Management assessed whether the Company's investment in joint venture was recoverable due to market conditions relating to falling oil and gas prices.

The carrying amount of investment in joint venture was $3.0 billion after an impairment reversal of $17.8 million was recognised in the statement of profit or loss and other comprehensive income for the year ended 31 December 2016.

6.6 Statement of Management's Responsibility for the Preparation of Unaudited Financial Statements for the Quarter Ended 31 March 2017

It is the responsibility of management to prepare financial statements which present fairly, in all material respects, the state of affairs of Trinidad and Tobago NGL Limited (the "Company") as at 31 March 2017 and the operating results of the Company for the period then ended. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Gerry C. Brooks
Chairman

9 May 2017

Sheldon Sylvester
Chief Financial Officer

9 May 2017

6.7 Unaudited Financial Statements for the Quarter Ended 31 March 2017

Statement of **Financial Position**

AS AT 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)		Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
Assets	**Notes**	**$'000**	**$'000**	**$'000**
Non-current assets				
Investment in joint venture	5(b)	3,003,103	2,872,526	2,985,162
Total non-current assets		3,003,103	2,872,526	2,985,162
Current assets				
Due from parent company	9	-	405,535	-
Dividend receivable	9	13,155	12,804	13,155
Cash and cash equivalent	7	403,583	64,019	366,080
Total current assets		416,738	482,358	379,235
Total assets		3,419,841	3,354,884	3,364,397
Shareholders' equity and liabilities				
Equity				
Share capital	8	2,772,120	2,772,120	2,772,120
Translation reserve		146,216	55,267	146,005
Retained earnings		344,655	370,570	442,529
Total shareholders' equity		3,262,991	3,197,957	3,360,654
Current liabilities				
Due to parent company/related party	9	1,983	2,127	3,332
Dividends payable	13	154,800	154,800	-
Trade and other payables	6	67	-	175
Income tax payable		-	-	236
Total liabilities		156,850	156,927	3,743
Total equity and liabilities		3,419,841	3,354,884	3,364,397

The accompanying notes on pages 81 to 111 form an integral part of these financial statements.

The financial statements of Trinidad and Tobago NGL Limited were authorized for issue by the Board of Directors on 9 May 2017.

Gerry C. Brooks
Chairman

Ashmeer Mohamed
Director

TRINIDAD AND TOBAGO NGL LIMITED

Statement of **Profit or Loss and Other Comprehensive Income**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)	Notes	Unaudited 31 March 2017 $'000	Unaudited 31 March 2016 $'000	Audited 31 December 2016 $'000
Income				
Share of profit from investment in joint venture	5 (d)	57,227	31,087	163,955
Interest Income		186	-	219
Total income		57,413	31,087	164,174
Expenses				
Impairment reversal	11	-	-	17,831
Legal and professional fees		(129)	-	(704)
Other expenses		-	(688)	(956)
Profit before tax		57,284	30,399	180,345
Income tax expense	10 (a)	(358)	(190)	(777)
Profit after taxation for the period		56,926	30,209	179,568
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Exchange translation differences, net of tax		211	74,459	165,199
Other comprehensive income for the year		211	74,459	165,199
Total comprehensive profit for the year		**57,137**	**104,668**	**344,767**
Earnings per share				
Basic (dollars per share)	12	**0.37**	**0.20**	**1.16**
Diluted (dollars per share)	12	**0.37**	**0.20**	**1.16**

The accompanying notes on pages 81 to 111 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Statement of **Changes in Equity**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)	Notes	Share capital $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000
Year ended 31 December 2016					
Balance at 1 January 2016		2,772,120	(19,194)	495,161	3,248,087
Profit for the year		-	-	179,568	179,568
Other comprehensive income		-	165,199	-	165,199
Dividends	13	-	-	(232,200)	(232,200)
Balance at 31 December 2016		**2,772,120**	**146,005**	**442,529**	**3,360,654**
Period ended 31 March 2016					
Balance at 1 January 2016		2,772,120	(19,194)	495,161	3,248,087
Profit for the period		-	-	30,209	30,209
Other comprehensive income		-	74,461	-	74,461
Dividends	13	-	-	(154,800)	(154,800)
Balance at 31 March 2016		**2,772,120**	**55,267**	**370,570**	**3,197,957**
Period ended 31 March 2017					
Balance at 1 January 2017		2,772,120	146,005	442,529	3,360,654
Profit for the period		-	-	56,926	56,926
Other comprehensive income		-	211	-	211
Dividends	13	-	-	(154,800)	(154,800)
Balance at 31 March 2017		**2,772,120**	**146,216**	**344,655**	**3,262,991**

The accompanying notes on pages 81 to 111 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Statement of **Cash Flows**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)	Notes	Unaudited 31 March 2017 $'000	Unaudited 31 March 2016 $'000	Audited 31 December 2016 $'000
Cash flows from operating activities				
Profit for the year before taxation		57,284	30,399	180,345
Adjustments to reconcile net loss for the year to net cash used in operating activities:				
Impairment reversal	11	-	-	(17,831)
Interest and other investment income		(189)	-	(219)
Share of income from investment in joint venture	5 (d)	(57,227)	(31,087)	(163,955)
		(132)	(688)	(1,660)
(Decrease)/Increase in amount due to related party		(1,349)	1,023	2,172
Decrease in trade and other receivables		-	-	436,972
(Decrease) in trade and other payables		(344)	(58)	(20,035)
Cash flows from operating activities		(1,825)	277	417,449
Taxation paid		(359)	(190)	(544)
Net cash (used in)/generated from operating activities		(2,184)	87	416,905
Cash flows from investing activities				
Interest and other investment income		189	-	219
Dividends from joint venture		39,493	64,019	181,294
Net cash generated from investment activities		39,682	64,019	181,513
Cash flows from financing activities				
Dividends paid	13	-	-	(232,200)
Net cash used in financing activities		-	-	(232,200)
Net increase in cash and cash equivalents		37,498	64,106	366,218
Net foreign exchange differences		5	(87)	(138)
Cash and cash equivalents at beginning of period		366,080	-	-
Cash and cash equivalents at end of period		403,583	64,019	366,080

The accompanying notes on pages 81 to 111 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

1. Corporate information

Trinidad and Tobago NGL Limited (the “Company” or “TTNGL”) was incorporated in Trinidad and Tobago on 13 September 2013 under The Companies Act, 1995. The Company’s registered office is Orinoco Drive, Point Lisas Industrial Estate, Point Lisas. The Company acts as an investment holding company following its acquisition of 39% of the share capital of Phoenix Park Gas Processors Limited (“PPGPL”), in the form of Class B Shares of PPGPL. These PPGPL shares were previously held by Trinidad and Tobago Holdings LLC (“TT Holdings LLC”), the sole shareholder of which was The National Gas Company of Trinidad and Tobago Limited (“NGC” or “parent”). NGC is owned by the Government of the Republic of Trinidad and Tobago (“GORTT”).

Following an Initial Public Offering (“IPO”) in August 2015, 49% of the Company is now owned by the public of Trinidad & Tobago in the form of Class B Shares. TTNGL began trading on the Trinidad & Tobago Stock Exchange on 19 October 2015. NGC’s ownership in TTNGL now stands at 51% in the form of Class A and Class B Shares.

2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRSs’).

2.2 Basis of preparation

These financial statements have been prepared under the historical cost basis as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

a) **Investment in joint venture**

The Company has a 39% investment in Phoenix Park Gas Processors Limited, which is a jointly controlled entity involved in the extraction of propane, butanes and natural gasoline from the natural gas stream. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

The Company does not exercise unilateral control over PPGPL's significant operating and financial decisions and, therefore, accounts for PPGPL under the equity method of accounting. Under the equity method, the investment in a joint venture is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

a) **Investment in joint venture** (continued)

The investment in a joint venture is accounted for using the equity method from the date of acquisition. On acquisition of the investment in the joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

Impairment of the investment in the joint venture

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in the joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment and is recognized in the statement of profit or loss and other comprehensive income.

Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

b) **Cash and cash equivalents**

Cash and cash equivalents are carried at cost. Cash and cash equivalents consist of cash at bank and short-term deposits readily convertible to a known amount of cash with an original maturity of three months or less.

c) **Receivables and payables**

Amounts receivable and payable are recognized and carried at cost including amounts with related parties.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

d) **Taxes**

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred tax assets arising from tax losses not yet recognized are only carried forward if it is probable that future taxable profit will be sufficient to allow the benefit of the tax losses to be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit or loss.

e) **Earnings per share**

Earnings per share are calculated using the weighted average number of shares outstanding during the period.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

f) **Foreign currencies**

The presentation currency of the Company's financial statements is Trinidad and Tobago dollars ('TT$'). The Company has determined that its functional currency is the United States dollar ('US$'). The US$ is the currency of the primary economic environment in which the Company's joint venture operates. See note 4.1(b).

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the reporting date exchange rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the translation. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognized in the statement of profit or loss and other comprehensive income.

For the purpose of presenting the financial statements, assets and liabilities are translated into TT$ using the period-end exchange rate and the operations and cash flows are translated using the average rates of exchange over the period.

Exchange differences arising from the translation into the presentation currency are recognized in other comprehensive income and recorded in the Company's translation reserve as a component of equity.

g) **Financial assets**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through the profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value, plus, in the case of investments not at fair value through the statement of profit or loss and other comprehensive income, directly attributable transaction costs.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

g) **Financial assets** (continued)

The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year-end.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

h) **Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets may be impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in the statement of profit or loss and other comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

i) **Revenue recognition**

Interest

Interest income is accounted for on the accruals basis.

Dividends

Revenue is recognized when dividends are declared by the investee Company.

j) **Derecognition of financial assets and liabilities**

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

j) **Derecognition of financial assets and liabilities** (continued)

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

k) **Provisions**

The Company recognizes a provision when, as a result of a past event, it has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

l) **Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. Application of new and revised International Financial Reporting Standards ('IFRSs')

3.1 Amendments to IFRSs and new interpretations that are mandatorily effective for the current year

- **Annual Improvements to IFRS Standards 2014 – 2016 Cycle**

  The *Annual Improvements to IFRS 2014-2016* include an amendment to IFRS 12, which is summarised below.

  IFRS 12 — Clarified the scope of IFRS 12 by specifying that the disclosure requirements in the standard, except for those in paragraphs 10B–16B (summarised financial information for subsidiaries, joint ventures and associates), applies to an entity that has an interest in subsidiaries, joint arrangements, associates and unconsolidated structure entities, that are classified as held for sale, as held for distribution or as discontinued operation in accordance with IFRS 5 non-current Assets Held for Sale and Discontinued Operations.

  The management of the Company is of the opinion that the application of these amendments will have no significant impact on the financial statements.

- **Amendments to IAS 7, (Disclosure Initiative)**

  Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

  The management of the Company is of the opinion that the application of these amendments will have no significant impact on the financial statements.

- **Amendments to IAS 12, (Recognition of Deferred Tax Assets for Unrealised Losses)**

  Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

  The carrying amount of an asset does not limit the estimation of probable future taxable profits.

  Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.1 **Amendments to IFRSs and new interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IAS 12, (Recognition of Deferred Tax Assets for Unrealised Losses)** (continued)

  An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

  The management of the Company is of the opinion that the application of these amendments will have no significant impact on the financial statements.

3.2 **New and revised IFRSs in issue but not yet effective**

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

• IFRS 9	Financial instruments[1]
• IFRS 15	Revenue from Contracts with Customers[1]
• IFRS 16	Leases[2]
• Amendments to IFRS 2	Classification and Measurement of Share-based Payment[1]
• Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

[3] Effective for annual periods beginning on or after a date to be determined.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 **New and revised IFRSs in issue but not yet effective** (continued)

- **IFRS 9 *Financial Instruments***

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2014 to include the new requirements for general hedge accounting. Another revised version of IFRS was issued in July 2015 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' ('FVTOCI') measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held for within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

   3.2 **New and revised IFRSs in issue but not yet effective** (continued)

   - **IFRS 9 *Financial Instruments*** (continued)

     Key requirements of IFRS 9 (continued):

     effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

   – in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

   – the new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

   Classification and measurement

   - Bills of exchange and debentures classified as held-to-maturity investments and loans carried at amortised cost as disclosed. These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;

   - Listed redeemable notes classified as available-for-sale investments carried at fair value. These are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the notes in the open market, and

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 **New and revised IFRSs in issue but not yet effective** (continued)

- **IFRS 9 *Financial Instruments*** (continued)

  Classification and measurement (continued)

  the notes' contractual terms give rise to cash flows on specific dates that are solely payments of principal and interest on the principal outstanding. Accordingly, the listed redeemable notes will continue to be subsequently measured at FVTOCI upon the application of IFRS 9, and the fair value gains or losses accumulated in the investment revaluation reserve will continue to be subsequently reclassified to profit or loss when the listed redeemable notes are derecognised or reclassified;

- Unlisted shares classified as available-for-sale investments carried at fair value;

- These shares qualify for designation as measured at FVTOCI under IFRS 9; however, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss under IFRS, which is different from the current treatment. This will affect the amounts recognised in the Company's profit or loss and other comprehensive income but will not affect total comprehensive income;

- Redeemable cumulative preference shares issued by the Company designated as at FVTPL. These financial liabilities qualify for designation as measured at FVTPL under IFRS 9; however, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability will be recognised in other comprehensive income with the remaining fair value change recognised in profit or loss;

- All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

Impairment

Financial assets measured at amortised cost (see classification and measurement section), finance lease receivables, amounts due from customer under construction contracts, and financial guarantee contracts will be subject to the impairment provisions of IFRS 9.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

   3.2 **New and revised IFRSs in issue but not yet effective** (continued)

   - **IFRS 9 Financial Instruments** (continued)

     Impairment (continued)

     The management of the Company anticipates that the application of IFRS 9 in the future may have an impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company undertakes a detailed review.

   - **IFRS 15** ***Revenue from Contracts with Customers***

     In May 2015, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

     The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

     Specifically, the Standard introduces a 5-step approach to revenue recognition:
     - Step 1: Identify the contract(s) with a customer
     - Step 2: Identify the performance obligations in the contract
     - Step 3: Determine the transaction price
     - Step 4: Allocate the transaction price to the performance obligations in the contract
     - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

     Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

     The management of the Company is of the opinion that the application of IFRS 15 in the future will have no impact on the amounts reported and disclosures made in the Company's financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

   3.2 **New and revised IFRSs in issue but not yet effective** (continued)

   - **IFRS 16 *Leases***

     IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

     The management of the Company is of the opinion that the application of IFRS 16 will have no impact on the Company's financial statements.

   - **Amendments to IFRS 2 Classification and measurement of the Share-Based Payment Transactions**

     The amendments clarify the following:

     1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payment.

     2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employees tax obligation to meet the employees tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

     3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

        i) the original liability is recognised;
        ii) the equity-settled share-based payment is recognised at the modification date fair value of equity instrument granted to the extent that services have been rendered up to the modification date; and
        iii) any difference between the carrying amount of the modification date and the amount recognized in equity should be recognised in profit or loss immediately.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 **New and revised IFRSs in issue but not yet effective** (continued)

- **Amendments to IFRS 2 Classification and measurement of the Share-Based Payment Transactions** (continued)

  The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The management of the Company is of the opinion that the application of the amendments in the future will have no material impact on the Company's financial statements as the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

- **Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

  The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interest in that associate or joint venture.

  Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.

  The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The management of the Company is of the opinion that the application of these amendments will have no significant impact on the financial statement.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a) Functional currency of the Company

The Company is an investment holding company and is not engaged in any other activities. Management has analysed primary and secondary factors as guided by IAS 21 The Effects of Changes in Foreign Exchange Rates and has determined that the functional currency of the Company is the US$. This judgement is made on the basis that all of the Company's income is denominated in US$ which is consistent with the functional currency of PPGPL.

b) Classification of investment held in PPGPL as a joint venture

PPGPL is a limited liability company whose legal form confers separation between parties to the joint arrangement and the Company itself, see note 2.2(a) above for details of management's assessments.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

5. **Investment in joint venture**

a) **Acquisition of TT Holdings LLC and investment in Phoenix Park (collectively, the 'Acquisition')**

On 27 February 2014, the Company authorized and issued 38,700,000 Class A Shares and 116,100,000 Class B Shares for $25 per share in each class of shares.

The Company's Class A Shares and Class B Shares carry the same voting rights and are generally subject to the same rights, privileges, restrictions and conditions, except for the right to appoint directors of the Company and conversion rights. Class A Shares may be converted into an equal number of Class B Shares at any time.

Share for share exchange

On 27 February 2014, NGC exchanged its 100% shareholding in TT Holdings LLC with the Company in exchange for 38,700,000 Class A Shares and 116,100,000 Class B Shares of the Company, representing 100% of the Company's issued share capital valued at $3,870,000,000. At the close of this transaction, the Company became the 100% shareholder of TT Holdings LLC, and NGC became the holder of 100% of the Company's issued Class A and Class B Shares.

Distribution of investment in specie and dissolution of TT Holdings LLC

As at 24 March 2014, TT Holdings LLC made a distribution in specie whereby all of its net assets, including shares held in Phoenix Park were transferred to the Company. Accordingly, the 39.0% Effective Ownership Interest in PPGPL previously held by TT Holdings LLC was distributed in specie to the Company in the amount of $3,870,000,000 and the Company became the direct holder of the 39% Effective Ownership Interest in PPGPL.

Initial Public Offering of Class B Shares of the Company

In August 2015, NGC offered 49% of the Company to the public of Trinidad and Tobago through an Initial Public Offering ("IPO"). The Offer comprised 75,852,000 of NGC's Class B Shares in the Company at an offer price of $20.00.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

5. **Investment in joint venture** (continued)

b) **Details of the Company's joint venture at the end of the reporting period are as follows:**

Name of joint venture	**Principal activity**	**Place of incorporation and principal place of business**	**Proportion of ownership interest and voting rights held by the Company**
Phoenix Park Gas Processors Limited	Extraction of propane, butane and natural gasoline from the natural gas stream	Rio Grande Drive, Point Lisas Industrial Estate, Point Lisas	39%

The movement in the carrying value of the Company's 39% share of the assets, liabilities and income and expenses of Phoenix Park Gas Processors Limited as at 31 March 2017 is included below:

	Unaudited 31 March 2017 $'000	**Unaudited 31 March 2016 $'000**	**Audited 31 December 2016 $'000**
Share of PPGPL's assets/liabilities:			
Movement in investment in joint venture during the reporting period			
Investment in joint venture as at 1 January	2,985,165	2,827,779	2,827,778
Share of profit in joint venture (Note 5 (d))	57,230	31,087	163,955
Dividends received	(39,493)	(50,657)	(168,345)
Impairment reversal on investment	-	-	17,831
Exchange rate adjustment	201	64,317	143,943
Investment in joint venture	**3,003,103**	**2,872,526**	**2,985,162**

The above joint venture is accounted for using the equity method in the Company's financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

5. **Investment in joint venture** (continued)

c) **Summarized financial information in respect of the Company's joint venture is set out below:**

The summarized financial information following represents amounts shown in PPGPL's financial statements prepared in accordance with IFRSs. The information was extracted from PPGPL's unaudited financial statements for the three months ended 31 March 2017 and 31 March 2016 and audited statements for the year ended 31 December 2016 which have been presented in United States dollars, PPGPL's functional currency.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

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	Unaudited 31 March 2017 US$'000	Unaudited 31 March 2016 US$'000	Audited 31 December 2016 US$'000
Statement of financial position of PPGPL			
Cash and cash equivalents	73,575	52,071	52,109
Other current assets	74,898	77,927	89,674
Total current assets	148,473	129,998	141,783
Non-current assets, excluding goodwill	273,430	293,733	278,717
Total assets	421,904	423,731	420,500
Current financial liabilities	(18,450)	(18,450)	(18,450)
Other current liabilities	(41,560)	(39,193)	(39,098)
Total current liabilities	(60,010)	(57,643)	(57,548)
Non-current financial liabilities	(116,957)	(133,919)	(124,752)
Total liabilities	(176,967)	(191,562)	(182,300)
Net assets	**244,937**	**232,169**	**238,200**

Statement of profit or loss and other comprehensive income of PPGPL	**Unaudited 31 March 2017 US$'000**	**Unaudited 31 March 2016 US$'000**	**Audited 31 December 2016 US$'000**
Revenue	99,984	67,728	300,902
Cost of sales	(56,274)	(37,383)	(157,802)
Interest income	95	39	150
Other operating expenses (net)	(4,187)	(5,438)	(25,856)
Depreciation and amortization	(5,493)	(5,667)	(16,790)
Interest expense	(330)	(409)	(1,467)
Profit before tax	33,795	18,870	99,137
Income tax expense	(12,058)	(6,596)	(35,832)
Profit after tax	21,737	12,274	63,305
Other comprehensive income	-	-	-
Total comprehensive income	**21,737**	**12,274**	**63,305**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

5. **Investment in joint venture** (continued)

d) **Reconciliation of the above summarized financial information to the carrying amount of the investment in the joint venture recognized in the Company's financial statements:**

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Net assets of PPGPL denominated in US$	244,937	232,169	238,200
Exchange rate at reporting date	6.7464	6.5661	6.7459
Net assets of PPGPL denominated in TT$	1,652,443	1,524,445	1,606,873
Proportion of the Company's ownership interest in the joint venture	39%	39%	39%
39% of net assets of PPGPL	644,453	594,533	626,681
Excess of investment over carrying amount of PPGPL's net assets	2,358,650	2,277,993	2,340,650
Impairment reversal on investment in joint venture	-	-	17,831
Carrying amount of the Company's investment in the joint venture	**3,003,103**	**2,872,526**	**2,985,162**

Reconciliation of the above summarized financial information to the share of profit in the joint venture recognized in the Company's financial statements:

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
PPGPL's total profit for the year denominated in US$	21,737	12,274	63,305
Average exchange rate for the period ended 31 March/December	6.7509	6.4943	6.6408
PPGPL's total profit for the period denominated in TT$	146,744	79,713	420,396
Proportion of the Company's ownership investment in joint venture	39%	39%	39%
Share of profit in the joint venture	57,227	31,087	163,955
Share of profit from the investment in joint venture	**57,227**	**31,087**	**163,955**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

6. Trade and other payables

Trade and other payables are non-interest bearing and have an average term of three months. The following table presents the details of accounts payable and accrued liabilities:

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Audit fees	-	-	55
Sundry Payables	67	-	120
	67	**-**	**175**

7. Cash and cash equivalents

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Cash at bank and on hand	**403,583**	**64,019**	**366,080**

Cash at bank earns interest at a fixed rate of deposit on daily deposit rates.

8. Share capital

Authorized:

An unlimited number of ordinary 'A' shares of no par value
An unlimited number of ordinary 'B' shares of no par value

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Issued and fully paid:			
38,700,000 ordinary 'A' shares of no par value	693,030	967,500	693,030
116,100,000 ordinary 'B' shares of no par value	2,079,090	2,902,500	2,079,090
Capital Reduction	-	(1,097,880)	-
	2,772,120	**2,772,120**	**2,772,120**

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

9. Related party transactions

The following table provides the total amount of material transactions, which have been entered into with related parties and the balances outstanding for periods ending 31 March 2017, 31 March 2016 and year ended 31 December 2016:

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Amount due from related parties			
The National Gas Company of Trinidad and Tobago Limited:			
Dividends received on behalf of the Company	**-**	**405,535**	**-**
Amount due to related parties			
The National Gas Company of Trinidad and Tobago Limited:			
Reimbursement for expenses paid on behalf of the Company	(1,983)	(1,676)	(1,920)
Phoenix Park Gas Processors Limited:			
Reimbursement for expenses paid on behalf of the Company	-	(451)	(1,412)
	(1,983)	**(2,127)**	**(3,332)**
Dividend Receivable			
Phoenix Park Gas Processors Limited	**13,155**	**12,804**	**13,155**
Income/(expenses) from related parties			
The National Gas Company of Trinidad and Tobago Limited:			
Interim dividend paid	**-**	**-**	**(77,400)**
Phoenix Park Gas Processors Limited:			
Dividends received	**39,493**	**51,205**	**168,344**
Key management compensation			
Directors' fees and allowances	**(64)**	**(56)**	**(246)**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

10. Taxation

a) The taxation charge consists of the following:

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Green Fund Levy	119	190	544
Business Levy	239	-	233
	358	**190**	**777**

b) Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Profit before taxation	**57,284**	**30,399**	**180,345**
Income taxes thereon at the rate of 30% (2016: 25%)	17,185	7,600	45,086
Tax effect of items not allowable for tax:	(17,185)	(7,600)	(45,086)
Non-deductible expense:			
Green Fund Levy	119	190	544
Business Levy	239	-	233
	358	**190**	**777**

11. Impairment

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Impairment reversal	**-**	**-**	**17,831**

Management engaged an independent valuation expert to conduct an impairment assessment of the Company's 39% shareholding investment in PPGPL as at the date of the statement of financial position.

For 2015, a similar impairment assessment led to the recognition of an impairment reversal of $235.2 million, which has been recognised and separately disclosed on the statement of profit or loss and other comprehensive income. As with the 2015 exercise, the primary drivers for the impairment assessment continue to be the following factors:

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

11. **Impairment** (continued)

- Accessibility of available and more economical sources of energy (particularly North American shale resources) continue to compress both demand and prices for natural gas products. Alternate energy sources have been more economical in certain countries which have access to energy sources and processing infrastructure at closer proximity, industrial and commercial applications are able to tap energy sources at cost levels that are not inhibiting. Overall global supply remains above demand resulting in higher inventory levels and depressed energy commodity prices.
- Issues of local gas supply in the short to medium term and natural gas liquids ('NGLs') content in the gas stream over the longer term.

The impairment assessment for 2016 led to a further partial reversal of $17.8 million, of the impairment loss that was recognised in 2014. The partial reversal was due to an increase in the recoverable amount which was driven by the implementation of value creating opportunities with third party suppliers including Product Trading.

The recoverable amount of the Company's investment in joint venture is based on a value in use calculation which uses cash flow projections which was determined from financial information approved by the Board of Directors of the Company covering a twenty-year period from 2017 to 2036, and a discount rate of 11.90% (2015: 12.11%) per annum which was based on a market estimate of the weighted average cost of capital. Cash flows beyond the twenty-year period have been extrapolated assuming no growth rate after year 2036. The key assumptions used in the value in use calculations are as follows:

- Discount rate of 11.90%
- Selling prices of NGLs have stabilised in 2016 and are expected to rise in 2017 and steadily increase year on year. Selling prices of NGLs included in the cash flow projections are based on management's best estimate taking into consideration current market conditions. Prices are based on forecasted market prices which are provided by a highly reputable company.

A change in the key assumptions has been analysed and presented below:

- Discount rate

  A 1% decrease in the discount rate while holding all other variables will increase the impairment reversal to $29.7 million while a 1% increase in the discount rate results in an impairment loss of $13.7 million.

- Selling prices of NGLs

  - A 5% increase/decrease in the selling prices of NGLs while holding all other variables will increase/decrease the impairment reversal by $27.0 million.
  - A 10% increase/decrease in the selling prices of NGLs while holding all other variables will increase/decrease the impairment reversal by $54.0 million.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

12. Earnings per share

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Basic earnings per share	0.37	0.20	1.16

The profit and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
Profit used in the calculation of basic earnings per share	56,926	30,209	179,568

	March 2017	March 2016	December 2016
	(Shares)	(Shares)	(Shares)
Weighted average number of ordinary shares for the purposes of basic earnings per share	154,800	154,800	154,800

13. Dividends

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$'000	$'000	$'000
2015 final dividend declared	-	154,800	-
2015 final dividend paid	-	-	154,800
2016 interim dividend paid	-	-	77,400
2016 final dividend declared	154,800	-	-
	154,800	154,800	232,200

On 10 March 2017, the Board of Directors declared a final dividend of $1.00 per share for 2016. This final dividend was paid on 12 April 2017 to shareholders on the Register as at 28 March 2017.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

14. Capital management

The Company manages its shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its operations through its current operating period.

15. Financial risk management objectives and policies

Risk management

In the normal course of business, the Company is exposed to financial risk and manages that risk, as follows:

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is expected to be dividend income, which is used to finance working capital and to meet the Company's financial obligations associated with financial liabilities.

Credit risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company is not currently exposed to significant credit risk.

Market risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the Company's return on its assets.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

15. **Financial risk management objectives and policies** (continued)

Risk management (continued)

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is not currently exposed to interest rate risk as it does not have any interest bearing financial liabilities and interest bearing financial assets are at fixed rates of interest.

Currency risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Company is exposed to foreign currency risk arising from exposure with respect to the United States dollar. Management monitors its exposure to foreign currency fluctuations on a continuous basis and employs appropriate mitigation strategies.

The following table shows balances outstanding at year-end denominated in foreign currencies:

As at 31 March 2017	TT $'000	US $'000	Total $'000
Assets			
Investment in joint venture	-	3,003,103	3,003,103
Dividends receivable	-	13,155	13,155
Cash and cash equivalents	1,000	402,583	403,583
Total assets	**1,000**	**3,418,841**	**3,419,841**
Liabilities			
Due to parent company/related party	1,983	-	1,983
Dividends payable	154,800	-	154,800
Trade and other payables	67	-	67
Income tax payable	-	-	-
Total liabilities	156,850	-	156,850
Net position	**(155,850)**	**3,418,841**	**3,262,991**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

15. **Financial risk management objectives and policies** (continued)

Risk management (continued)

Currency risk (continued)

As at 31 March 2016	**TT $'000**	**US $'000**	**Total $'000**
Assets			
Investment in joint venture	-	2,872,526	2,872,526
Due from parent company	-	405,535	405,535
Dividends receivable	-	12,804	12,804
Cash and cash equivalents	-	64,019	64,019
Total assets	**-**	**3,354,884**	**3,354,884**
Liabilities			
Due to parent company/related party	2,127	-	2,127
Dividends payable	154,800	-	154,800
Trade and other payables	-	-	-
Income tax payable	-	-	-
Total liabilities	156,927	-	156,927
Net position	**(156,927)**	**3,354,884**	**3,197,957**

As at 31 December 2016	**TT $'000**	**US $'000**	**Total $'000**
Assets			
Investment in joint venture	-	2,985,162	2,985,162
Dividends receivable	-	13,155	13,155
Cash and cash equivalents	1,008	365,072	366,080
Total assets	**1,008**	**3,363,389**	**3,364,397**
Liabilities			
Due to parent company/related party	3,332	-	3,332
Trade and other payables	175	-	175
Income tax payable	236	-	236
Total liabilities	3,743	-	3,743
Net position	**(2,735)**	**3,363,389**	**3,360,654**

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Amounts expressed in Trinidad and Tobago Dollars)

15. **Financial risk management objectives and policies** (continued)

Risk management (continued)

Currency risk (continued)

The following table demonstrates the sensitivity to a reasonable possible change in the TT dollar exchange rate with all other variables held constant of the Company's profit before taxation:

	Increase/ (decrease) in exchange rate %	Effect on other comprehensive income $'000
As at 31 March 2017	**3%**	**1,770**
	(3%)	**(1,770)**
As at 31 March 2016	**3%**	**928**
	(3%)	**(928)**
As at 31 December 2016	**3%**	**5,416**
	(3%)	**(5,416)**

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The Company's primary source of income is dividend income derived from its underlying investment in PPGPL. PPGPL is exposed to market/feedstock price movements that could adversely affect the value of its financial assets, liabilities and future cash flow.

Fair values

Financial instruments include accounts payable and accrued liabilities. The carrying values of these financial instruments are approximate to their fair value due to their short-term nature.

16. **Events after the reporting date**

In September 2016, GORTT signalled its intent to further divest NGC's shareholding in TTNGL. This divestment is expected to occur in 2017.

6.8 Management Discussion and Analysis for the Quarter Ended 31 March 2017

The following Management Discussion and Analysis ("MD&A") for the Company's financial condition, financial performance and cash flows for the three (3) months ended 31 March 2017 should be read in conjunction with the Company's unaudited financial statements and related notes contained therein as at and for the three months ended 31 March 2017. Some of the information contained in this discussion and analysis contains forward-looking statements that involve risk and uncertainties. See "Notice Regarding Forward-Looking Information" on page 9 and Section 5 - "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements.

Unless otherwise stated, the following discussion is presented in Trinidad and Tobago dollars ("TT$ '000"). This MD&A was prepared as of 20 April 2017.

Summary of Q1 2017 Results

For the three (3) months to 31 March 2017, Phoenix Park, the business in which the Company holds a 39.0% Effective Ownership Interest, generated net income after taxes of $146.7 million (US$21.7 million). The Company's share in Phoenix Park's net income was $57.2 million, reflecting its 39.0% Effective Ownership Interest.

During the three months ended 31 March 2017, the Company incurred $0.1 million in administrative and general expenses consisting of Directors' fees, travelling allowance and legal and professional fees.

The exchange translation gain of $0.2 million reported in the statement of profit or loss and other comprehensive income ("OCI") relates to exchange differences arising from the translation of the US$ into the presentation currency (TT$). This reduced impact was driven primarily by the marginal depreciation of the TT$ to the US$ over the period.

Exchange translation differences

The table below highlights the movements in the exchange rates from 2015 to 2017:

Financial Period	Exchange Rate as at Reporting Date
Year 2015	6.4196
2016 Q1	6.5661
Year 2016	6.7459
2017 Q1	6.7464

Summary Balance Sheet Discussion

The Company acquired an investment (39.0% Effective Ownership Interest) in Phoenix Park as of 27 February 2014 in the amount of $3.8 billion. As at 31 March 2017, this investment in Phoenix Park had a carrying value of $3.0 billion as follows:

	2017	**2016**
	$'000	**$'000**
Investment as at 1 January	2,985,162	2,827,779
Share of Phoenix Park's total comprehensive income	57,230	31,087
Dividends received	(39,493)	(50,657)
Exchange rate adjustment	204	64,317
Investment in Joint Venture as at 31 March	**3,003,103**	**2,872,526**

Related Party Transactions

As at 31 March 2017, the Company had related party transactions consisting of $2.0 million in Directors' fees and other administrative expense payable to NGC, and $13.2 million of dividends due from Phoenix Park.

Liquidity

2017 Distributions from Phoenix Park

For the period, dividend received from Phoenix Park amounted to TT$39.5 million (US$5.9 million). Monthly dividends declared by Phoenix Park but not paid during the quarter ended 31 March 2017 totalled $13.2 million (US$ 2.0 million or US$ 0.02 per share held in Phoenix Park). This dividend was paid by Phoenix Park in April 2017.

2016 Distributions by TTNGL

During the three (3) months ended 31 March 2017, TTNGL declared a final dividend for 2016 of $154.8 million or $1.00 per share to its shareholders on record as at 28 March 2017. This dividend was paid on 12 April 2017.

Financial Instruments and Other Instruments

This comprises $13.2 million due from Phoenix Park for dividends declared but not paid, and $403.6 million in cash and cash equivalents. Additionally, the Company had current liabilities in the amount of $156.9 million related to Directors' fees, travelling allowance, other administrative expenses and taxes paid by NGC, $0.1 million for trade payables and $154.8 million related to final dividend for 2016 of $1.00 per share paid on 12 April 2017.

Critical Accounting Policies, Judgements and Estimates

The Company's financial statements for the three (3) months ended 31 March 2017 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In the application of the Company's accounting policies, the Directors

Critical Accounting Policies, Judgements and Estimates (continued)

of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Functional currency of the Company

The Company is an investment holding company and is not engaged in any other activities. Management has analysed primary and secondary factors as guided by IAS 21 The Effects of Changes in Foreign Exchange Rates and has determined that the functional currency of the Company is the US$. This judgement is made on the basis that all of the Company's income is denominated in US$ which is consistent with the functional currency of PPGPL.

Classification of investment held in Phoenix Park as a joint venture

Phoenix Park is a limited liability company whose legal form confers separation between parties to the joint arrangement and the Company itself.

Key Sources of Estimation Uncertainty

The following is the key assumption concerning the future and other key sources of estimation and uncertainty at the reporting period date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year.

Impairment of investment in joint venture

Management assessed whether the Company's investment in joint venture was recoverable due to market conditions relating to falling oil and gas prices.

The carrying amount of investment in joint venture was $3.0 billion after an impairment reversal of $17.8 million was recognised in the statement of profit or loss and other comprehensive income for the year ended 31 December 2016.

7 | **Related-Party** Transactions

7 Related-Party Transactions

Memorandum of Agreement

On 11 November 2013, the Company entered into a service arrangement with NGC to receive certain administrative, management, operational and investor relations services on an as needed basis. In accordance with the agreement, the Company shall reimburse NGC for any costs incurred for performing the aforementioned services.

The Company also entered into an agreement with Phoenix Park to receive financial accounting support from under the terms and conditions of its Memorandum of Agreement dated 1 January 2017.

Continuous Disclosure Agreement

On 17 March 2014, the Company and Phoenix Park signed a continuous disclosure agreement whereby Phoenix Park has agreed to provide the Company with quarterly financial statements and management discussion and analysis on operating results.

Gas Processing Agreement

NGC, the majority shareholder of the Company as well as controlling shareholder of Phoenix Park, supplies gas to Phoenix Park under a long-term gas processing agreement.

For further details on this agreement, refer to Appendix II – Business Overview – Phoenix Park.

8 | **Directors’** Report

8 Directors' Report

We confirm that to the best of our knowledge and belief, after due inquiry by us, that in the period following the last audited financial statements, 31 December 2016, to the date of this Prospectus:

- The business of the Company has, in our opinion, been satisfactorily maintained;
- There have not been, in our opinion, any circumstances arising which have adversely affected the trading or the value of the assets of the Company;
- The current assets of the Company appear in the books at values which are believed to be realizable in the ordinary course of business;
- There are no contingent liabilities, which have arisen by reason of guarantees or indemnities given by the Company; and
- There have been no significant changes affecting the financial position of the Company.

Gerry C. Brooks
Chairman of the Board

Kenneth Allum
Director

Andrew Jupiter
Director

Ashmeer Mohamed
Director

Vivek Charran
Director

17 May 2017

9 | **Supplemental** Information

9.1 Documents Available for Inspection

The following documents in relation to the Company are available for inspection at no cost between 9AM and 4PM from 05 June 2017 to 28 June 2017, at the office of the Lead Stockbroker - Republic Securities Limited, 2nd Floor, Promenade Centre, 72 Independence Square, Port of Spain:

- Certificate of Incorporation, By-Laws, Articles of Incorporation, Articles of Amendment and Restated Articles of TTNGL;
- Financial Statements for the years ended 2014, 2015 and 2016 and related Auditors' Reports for TTNGL and Phoenix Park;
- Letters of Consent for inclusion of Auditor's Reports by Deloitte & Touche;
- Letter of Consent for inclusion of Auditor's Report by KPMG; and
- Receipt for the Prospectus from the TTSEC.

9.2 Statement of Rights

Section 139(1) of the Securities Act provides a purchaser of a security distributed under a prospectus with a right of action for damages against each of the persons set out in this section for any loss or damage sustained by him by reason of any misrepresentation in the prospectus and each such person shall be liable for any such loss or damage.

Section 140(1) of the Securities Act provides a purchaser with remedies for rescission and repayment of the price that has been paid in respect of the security if the prospectus or any amendment contains a misrepresentation.

Section 75(2) of the Securities Act provides a purchaser with the right to withdraw from an agreement to purchase securities, provided that this right is exercised within two business days after receipt of a prospectus and any amendment.

The purchaser should refer to the Securities Act and the By-Laws thereunder, for the particulars of these rights or consult with a legal adviser.

9.3 Certificate of TTNGL

The foregoing constitutes full, true and plain disclosure of all material facts relating to the Company and the securities distributed by this Prospectus as required by the Securities Act and the By-Laws thereunder.

Gerry C. Brooks
Chairman of the Board

Sheldon Sylvester
Chief Financial Officer

Kenneth Allum
Director

Ashmeer Mohamed
Director

9.4 Certificate of the Selling Shareholder

The foregoing constitutes full, true and plain disclosure of all material facts relating to the Company and the securities distributed by this Prospectus as required by the Securities Legislation thereunder.

Gerry C. Brooks
Chairman of the Board

Andrew Jupiter
Director

Kenneth Allum
Director

Sham Mahabir
Director

Marcus Ganness
Director

Hadyn A. Gittens
Director

9.5 Consent Letters by Auditors

Deloitte.

Deloitte & Touche
54 Ariapita Avenue,
Woodbrook, Port of Spain,
Trinidad, West Indies.
Tel: + 1 868 628 1256
Fax: + 1 868 628 6566
Website: www.deloitte.com

May 15, 2017

The Directors
Trinidad and Tobago NGL Limited,
Orinoco Drive,
Point Lisas Industrial Estate,
COUVA

Dear Sirs,

Re: Consent Letter

In accordance with the Securities Legislation, as defined in the Prospectus, we consent to being named in and to authorize the use of the following reports to be filed by Trinidad and Tobago NGL Limited ("the Issuer") as an insertion into the Prospectus of the Issuer of the Offer with the Trinidad and Tobago Securities and Exchange Commission:

- Audit opinion dated March 6, 2017 on the financial statements of Trinidad and Tobago NGL Limited for the year ended December 31, 2016;
- Audit opinion dated February 10, 2017 on the financial statements of Phoenix Park Gas Processors Limited for the year ended December 31, 2016; and
- Audit opinion dated May 11, 2017 on the summary financial statements of Trinidad and Tobago NGL Limited for the four years ended December 31, 2016.
- Audit opinion dated May 11, 2017 on the summary financial statements of Phoenix Park Gas Processors Limited for the year ended December 31, 2016.

We have read the Prospectus and have no reason to believe there are any misrepresentations in it that:

(i) may be derived from the financial statements for Trinidad and Tobago NGL Limited and Phoenix Park Gas Processors Limited which we have reported on; or

(ii) are within our knowledge as a result of our audit or compilation of the financial statements of Trinidad and Tobago NGL Limited and Phoenix Park Gas Processors Limited.

We also confirm in accordance with the Securities Legislation that we have no interest in Trinidad and Tobago NGL Limited and are independent of the Issuer in all respects.

Yours sincerely,

Deloitte & Touche

KPMG
Chartered Accountants
Savannah East
11 Queen's Park East
P.O. Box 1328
Port of Spain
Trinidad and Tobago, W.I.

Tel: (868) 612-KPMG
(868) 623-1081
Fax: (868) 623-1084
Email: kpmg@kpmg.co.tt
Web: www.kpmg.com/tt

16, May 2017

The Directors
Phoenix Park Gas Processors Limited
Rio Grande Drive
Point Lisas Industrial Estate

Dear Sirs

Re: Consent letter

In accordance with the Securities Legislation, as defined in the Prospectus to be filed by Trinidad and Tobago NGL Limited, the Issuer of the Prospectus, with the Trinidad and Tobago Securities and Exchange Commission in May 2017, we consent to being named in the Prospectus and we authorise the use of the following report:

- Audit opinion dated 16 May 2017, on the summary financial statements of Phoenix Park Gas Processors Limited ("Phoenix Park") contained within Appendix VII sub-section (v) of the Prospectus concerning the four financial years ended 31 December 2012 to 2015.

We have read Appendix VII sub-section (vi) of the Prospectus dealing with "Management Discussion and Analysis on the Five Year Performance", and have no reason to believe that those parts of that sub-section that deal with the four years ended 31 December 2015 contain any misrepresentations that:

i) may be derived from the summary financial statements of Phoenix Park on which we have reported; or

ii) are within our knowledge as a result of our audit of the financial statements of Phoenix Park.

We have not read any other parts of the Prospectus, save those mentioned above, and hence we are not in a position to make a similar statement in respect of the remainder of the Prospectus.

We have not audited the financial statements of Phoenix Park for any periods other than the four financial years ended 31 December 2015, nor for any period subsequent to that date. In particular, we have not performed either an audit in accordance with International Standards on Auditing, nor a review in accordance with the International Standard on Review Engagements 2400, of the financial statements for the year ended 31 December 2016. Consequently, we do not give any assurance on the fair presentation within the summary financial statements appearing in sub-section (v) of Appendix VII to the Prospectus of financial information relating to that year.

We also confirm in accordance with the Securities Legislation that we have no interest in Phoenix Park or the Issuer and are independent of the Issuer in all respects.

Yours faithfully

For and on behalf of KPMG

Chris Hornby
Partner

9.6 Purchase Application Information

APPLICATION FOR SHARES

Application to purchase the Securities Offered must be made on the application form, which is included in Exhibit II of this Prospectus (the "Purchase Application Form"). Copies of the Prospectus and Purchase Application Forms are available from Republic Securities Limited or from any of the other authorized stockbrokers. Each Purchase Application Form must be completed in accordance with the terms thereof and lodged with a payment in full of $21.00 per share with Republic Securities Limited or any other authorized stockbroker. A valid account with the TTCD is required as no paper certificates will be issued.

It is strongly recommended that persons with an existing TTCD account submit an application through their broker. Persons with a TTCD account can submit an application to any branch of Republic Bank Limited. Persons without a TTCD account can visit Republic Securities Limited or any of the authorized stockbrokers to open a TTCD account and submit their application. Refer to Exhibit I for a checklist of information/requirements to open a TTCD account.

A separate remittance must accompany each Purchase Application Form and any Purchase Application Form which does not comply with the requirements set out in that form may be refused. Cheques can be made payable to "RSL-NGL APO" or to an authorized stockbroker. Applications shall not be binding if written notice of the Investor's intention to withdraw his/her/its application is provided to Republic Securities Limited or any authorized stockbroker within two business days after submission of the application. This written notice should be addressed to and delivered to Republic Securities Limited or any authorized stockbroker.

Ownership of the Securities Offered will be in dematerialized form i.e. the record of title of ownership will be maintained in electronic form by the Company in the TTCD. Therefore, it is not the intention to issue share certificates to shareholders.

OFFER TO PURCHASE SHARES

This Offer is made on the basis that the Investor offers to purchase from NGC at the Offer Price the number of shares indicated in their Purchase Application Form (or any smaller number in respect of which their application is accepted) in the Company on the Terms and Conditions of application.

Once the Investor expresses interest in the purchase (by way of the application for purchase), it will be on the basis that his/her/its application cannot be revoked provided that the Investor has not notified of their intent to withdraw his/her/its application to the Lead Stockbroker or any authorized stockbroker, in writing, within two business days after the submission of the application and that the cheque or draft accompanying his/her/its application will be honoured on first presentation.

If the Purchase Application Form is not completed correctly, or if the accompanying Manager's Cheque, personal cheque or electronic payment, as applicable, is for the wrong amount, it may still be treated as valid. In these circumstances, it is the Company's decision as to whether to treat such an application as valid, and how to construe, amend or complete it shall be final. The Investor will not, however, be treated as having offered to purchase more shares in the Company than is indicated on the Purchase Application Form.

ACCEPTANCE OF OFFER TO PURCHASE SHARES

NGC, in its full and absolute discretion, may accept an application to purchase (if such application is received, valid, processed and not rejected) or notify the TTSE of the basis of allocation (in which case the acceptance will be on that basis). The acceptance may be in respect of the whole or any part of an application and accordingly, the number of shares in the Company in an application to purchase may be scaled down. If NGC accepts an application to purchase (in whole or in part), there will be a binding contract under which the Investor will be required to purchase the shares in respect of which his/her/its application has been accepted. If any application is not accepted, or is accepted for less shares than those applied for, the remittance of the Offer Price or the excess amount, as the case may be, will be returned as soon as possible by electronic funds transfer ACH at the risk of the Investor.

PAYMENT FOR THE SHARES

This Offer is made on the basis that each Investor will undertake to pay the Offer Price in respect of which his/her/its application for purchase is accepted. The Manager's Cheque or personal cheque accompanying an application may be presented for payment before acceptance of an application, but this will not constitute acceptance of an application either in whole or in part. Electronic payments will be accepted for amounts in excess of $500,000.00 subject to appropriate anti-money laundering disclosures. Payment received will be held pending acceptance of the Investor's application for shares and applied only upon acceptance. Following full payment of the Offer Price, NGC and the Company will arrange for the shares which the Investor has agreed to purchase to be transferred to such Investor via a put-through, pursuant to Rule 210(3)(ii)[1] of the TTSE Rules dated 6 June 2011. The shares will be transferred from the Offeror's TTCD account to the successful applicant's TTCD account via the put-through. An application has been made to the TTSE for the transfer of these shares to be done via a put-through.

If an application is invalid, is rejected or is not accepted in full, any proceeds of the Manager's Cheque, personal cheque or electronic payment accompanying that application (or, if an application is accepted in part, the unused balance of those proceeds) will be refunded to the Investor without interest in accordance with the timeline set out in Section 2 – Details of Public Offering.

ALLOCATIONS

The results of the allocation of the shares acquired in the offering is expected to be announced by 26 July 2017. Investors will be notified of the percentages of the Offer that were given to each category of Investor as well as the percentage of their original application that each Investor received. If an application is successful in whole or in part, the Investor will be sent notification in writing to the address noted on the quoted TTCD account of the number of shares allocated to them. In the event of excess demand, the Investor may be allocated fewer shares than applied for, or in some cases, none at all. If an application is not accepted, all monies paid on application will be returned (without interest). If an application is accepted in part, the Investor will receive (without interest) a refund of the balance of the monies paid on application.

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1 Rule 210(3)(ii) of the TTSE Rules: "When the Board receives a request from a broker on behalf of the Government to effectuate a transaction for the purposes of divestment or restructuring, the Board will allow the transaction to be put-through the market."

The application for purchase may be rejected by NGC, in its full and absolute discretion, acting in good faith, for the reasons including, but not limited, to the following:

- If the application for purchase is incomplete;
- If it is discovered that the Investor has submitted multiple applications, such that the Investor's name appears on more than one application whether individually or jointly, and whether submitted directly by the Investor or through a custodian acting on his/her/its behalf; or the Investor is also a shareholder in a Non-Public Company, where the company is also an Investor;
- If the Investor's identity is fictitious and not supported by valid identification;
- If the Investor is not classified into one of the approved categories of investors; and
- If the application for purchase, as presented, contravenes any existing law or statute.

No more than 40,248,000 Class B Shares will be offered in total.

The right is reserved to present for payment all Manager's Cheques or personal cheques received but this will be avoided where practicable in respect of applications for which it is not expected to make an allocation. All cheques must be honoured on first presentation.

Individual Investors will be guaranteed an allocation of up to 60.0% of the Offer.

It is anticipated that Individual Investors, who apply for 2,000 shares or less, will each be allocated 100% of their share application save and except in the event that the individual category is substantially oversubscribed. Subject to the foregoing, applications by Investors for shares will be distributed in accordance with the provisions below.

If the Offer is oversubscribed, consistent with the policy of promoting the widest possible participation in share ownership, priority to receive the allocation applied for up to the limits noted (as a percentage of the maximum Offer) shall be given as stated in the Allocation Table on the following basis:

- In the event that any one category is oversubscribed, all successful Investors will receive a prorated number of shares above such Investor's guaranteed allocation based on the total number of shares applied for in that category, the number of shares applied for by the respective Investor and the total number of shares set to be allocated to that category.
- In the event that any one category is undersubscribed, all successful Investors in such category will be allocated 100% of the shares for which such Investor applied.
- Where an undersubscribed category results in there being unallocated shares in such category, such shares will be allocated to the remaining investor categories (in descending order of priority as set out in the table following), until the applications in that category have been fulfilled or there are no more unallocated shares.

ALLOCATION TABLE

Investor Class	Allocation %	No. of Shares
Individual Investors	60.0	24,148,800
Registered Mutual Funds, including the Trinidad and Tobago Unit Trust Corporation	10.0	4,024,800
Registered Pension and other Trust Funds, Credit Unions and Cooperatives and National Enterprises Limited	15.0	6,037,200
National Insurance Board of Trinidad and Tobago and other National Insurance Schemes of other countries	10.0	4,024,800
Other Companies	5.0	2,012,400
Total	**100.0**	**40,248,000**

NOTIFICATION OF ALLOCATIONS

It is expected that the Purchase Application Forms will be processed and successful Investors will be notified in writing of their allocations not later than 26 July 2017 together with any refund of monies received, as appropriate.

NO MULTIPLE APPLICATIONS

Multiple applications and suspected multiple applications may be rejected at the full and absolute discretion of NGC.

Applications will be deemed to be considered multiple applications:

(i) if the Investor's name appears on more than one application whether individually or jointly, and whether submitted directly by the Investor or through a custodian acting on his/her/its behalf; or

(ii) if the Investor is also a shareholder in a Non-Public Company, where the company is also an Investor.

In the case of multiple applications, the first application, in date and in time, for the Investor which has been fully processed, may be accepted and all other multiple applications may be rejected at the full and absolute discretion of NGC.

WARRANTIES

Each Investor is required to warrant in the application for purchase that:

- Where the Investor is an individual, that he or she is not under eighteen (18) years of age on the date of application.
- In making the application, the Investor is relying only on the Prospectus, subject to independent advice, and not on any other information or representation outside of the Prospectus concerning the shares or the Offer. The Investor shall also agree in the application for purchase that no person responsible for the Prospectus or any part of it will have any liability for any such other information or representation.
- If the laws of any place outside of Trinidad and Tobago are applicable to an application, the Investor has complied with all such laws and neither the Company nor its agents will infringe any laws outside the Republic of Trinidad and Tobago as a result of the acceptance of an application to purchase or any actions arising from the Company's rights and obligations under these Terms and Conditions of Application, and the Articles and By-Laws of the Company.
- If the person signing the Purchase Application Form is not the Investor, that person warrants that he has authority to do so on behalf of the Investor and that this authority is vested in him by virtue of any power of attorney, a copy of which accompanies the application for purchase.
- The declarations on the Purchase Application Form are true and correct. If they are not, the Investor may be making a multiple application. Any final allocation notice, or returned application monies relating to a person suspected of making a multiple application, may be held (in case of money, without interest) pending investigation.
- The rights and remedies of the Company under the Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- Details uploaded to the TTCD accounts, electronic funds transfers made and/or all documents sent will be at the Investor's risk. The information provided by the Investor in his/her/its application for purchase will be used for all future correspondence (written or electronic).
- The Investor will agree to be bound by the Articles and By-Laws of the Company once the shares they have agreed to purchase have been transferred to them.
- An application by the Investor, any acceptance of that application and the contract resulting therefrom, will be governed by and construed in accordance with the Laws of Trinidad and Tobago.

TAXATION

Investors will be subject to Trinidad and Tobago taxation as summarized below:

Resident Shareholders

Resident individuals who own shares in the Company will be exempt from Income Tax and Business Levy on dividends received from the Company by virtue of Sections 8(1)(w) and 5A(2)(a), respectively, of the Income Tax Act. Resident corporate shareholders will be exempt from Corporation Tax and Business

TAXATION (continued)

Resident Shareholders (continued)

Levy on dividends paid by the Company by virtue of Sections 6(1) (a) and 3A (2) (c), respectively, of the Corporation Tax Act. However, individual shareholders who own their shares through a partnership and corporate shareholders will be liable for Green Fund Levy on dividends received.

Capital Gains

There is no capital gains tax regime in Trinidad and Tobago, however, chargeable short-term capital gains are charged to tax as income or profits. A short-term capital gain is a gain that occurs on the sale of a capital asset within twelve (12) months of its acquisition. However, where that gain arises on the sale of securities, including shares, it will fall outside the charge to tax if it arises in Trinidad and Tobago.

Non-resident Shareholders

Non-resident shareholders who own shares in the Company will be subject to withholding tax on dividends paid at the standard rate of tax of either 10.0%, or if the shareholder is a parent company 5.0%, or at such lower treaty rate as may apply. The CARICOM Double Taxation Treaty exempts all persons resident in a CARICOM country which has ratified the Treaty from withholding tax on those dividends and any further tax in their country of residence. Investors should seek tax advice from professional sources on their specific circumstances.

EXPENSES AND COMMISSIONS

The Stockbrokers, Advisers and Bankers to the Offer have been appointed on the direction of NGC. Expenses and Commissions of the Offer are to be borne by NGC and paid out of the sale proceeds.

CONSENT OF DELOITTE & TOUCHE

Deloitte & Touche has given its written consent to include the Auditor's Report on the financial statements of the Company for the year ended 31 December 2016, the Accountant's Report on the four (4) year summary financial history, and the Auditor's Report on the financial statements of Phoenix Park for the year ended 31 December 2016 in this Prospectus in the form and context in which these documents are included, and Deloitte & Touche has not withdrawn such consent.

CONSENT OF KPMG

KPMG has given its written consent to include the Accountant's Report on the five (5) year summary financial history of Phoenix Park specifically for its years of audit from 2012 to 2015 in this Prospectus in the form and context in which these documents are included and KPMG has not withdrawn such consent.

10 **Appendices:** Supplemental Information

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Trinidad and Tobago NGL Limited

Appendix I

Audited Financial Statements

For the Year Ended 31 December 2016

Appendix I Audited Financial Statements for the Year Ended 31 December 2016 – **TTNGL**

Statement of **Management's Responsibility**

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of Trinidad and Tobago NGL Limited (the "Company") as at the end of the financial year and the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ('IFRS'). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Ashmeer Mohamed
Director

6 March 2017

Sheldon Sylvester
Chief Financial Officer

6 March 2017

TRINIDAD AND TOBAGO NGL LIMITED

Independent **Auditor's Report**

Deloitte.

Deloitte & Touche
54 Ariapita Avenue,
Woodbrook, Port of Spain,
Trinidad, West Indies.
Tel: + 1 868 628 1256
Fax: + 1 868 628 6566
Website: www.deloitte.com

Independent auditor's report

To the shareholders of Trinidad and Tobago NGL Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Trinidad and Tobago NGL Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment of investment in joint venture	
Investment in joint venture asset comprise 86.5% of the total assets of the Company. The asset has been recognised in the statement of financial position as a consequence of a series of transactions as disclosed in note 5 to the financial statements. As required by the applicable accounting standards, management conducts annual impairment test to assess the recoverability of the carrying value of the investment in joint venture. This is performed using discounted cash flow models and resulted in a reversal of impairment of $17,830,548. As disclosed in notes 4 and 10, there are a number of key sensitive judgements made in determining the inputs into these models which include: • Revenue growth (including volume growth and price increases) • The discount rates applied to the projected future cash flows.	We focused our testing of the impairment of investment in joint venture asset on the key assumptions made by management. Our audit procedures included: • Engaging our internal specialists to assist with: - Critically evaluating whether the model used by management to calculate the value in use of the individual Cash Generating Units complies with the requirements of IAS 36 Impairment of Assets. - Validating the assumptions used to calculate the discount rates and recalculating these rates. • Analysing the future projected cash flows used in the models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the Cash Generating Unit.

Independent **Auditor's Report** (continued)

Deloitte.

Independent auditor's report (continued)

To the shareholders of Trinidad and Tobago NGL Limited

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment of investment in joint venture (continued)	
Accordingly, the impairment test of the asset is considered to be a key audit matter. Management have engaged a specialists to assist with the determination of the discount rates for the significant Cash Generating Unit to which the asset relate. Management's determination of the recoverable amount of the joint venture involves a complex evaluation of many objective and subjective assumptions. It also relies on the integrity of the data used in the model calculation which are derived from various sources.	• Subjecting the key assumptions to sensitivity analyses. • Comparing the projected cash flows, including the assumptions relating to revenue growth rates and operating margins, against historical performance to test the accuracy of management's projections.

Information Other than the Financial Statements and Auditor's Report

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

TRINIDAD AND TOBAGO NGL LIMITED

Independent **Auditor's Report**

Deloitte.

Independent auditor's report (continued)

To the shareholders of Trinidad and Tobago NGL Limited

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Derek Mohammed, (ICATT # 864)

Port of Spain
Trinidad
6 March 2017

TRINIDAD AND TOBAGO NGL LIMITED

Statement of **Financial Position**

AS AT 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

Assets	Notes	2016 $'000	2015 $'000
Non-current assets			
Investment in joint venture	5(b)	2,985,162	2,827,778
Total non-current assets		2,985,162	2,827,778
Current assets			
Due from parent company	9	-	415,836
Dividends receivable	9	13,155	25,036
Cash and cash equivalents	7	366,080	-
Total current assets		379,235	440,872
Total assets		**3,364,397**	**3,268,650**
Shareholders' equity and liabilities			
Equity			
Share capital	8	2,772,120	2,772,120
Translation reserve		146,005	(19,194)
Retained earnings		442,529	495,161
Total shareholders' equity		3,360,654	3,248,087
Current liabilities			
Due to parent company/related party	9	3,332	1,104
Dividends payable		-	19,350
Trade and other payables	6	175	58
Income tax payable		236	51
Total liabilities		3,743	20,563
Total equity and liabilities		**3,364,397**	**3,268,650**

The financial statements of Trinidad and Tobago NGL Limited were authorised for issue by the Board of Directors on 6 March 2017.

Gerry C. Brooks
Chairman

Ashmeer Mohamed
Director

The accompanying notes on pages 142 to 172 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Statement of **Profit or Loss and Other Comprehensive Income**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

		2016	2015
Income	**Notes**	**$'000**	**$'000**
Share of profit from investment in joint venture	5 (d)	163,955	136,279
Interest Income		219	-
Total income		164,174	136,279
Expenses			
Impairment reversal	11	17,831	235,195
Legal and professional fees		(704)	(55)
Other expenses		(956)	(282)
Profit before taxation		180,345	371,137
Income tax expense	10 (a)	(777)	(305)
Profit after taxation for the year		179,568	370,832
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss			
Exchange translation differences, net of tax		165,199	31,931
Other comprehensive income for the year		165,199	31,931
Total comprehensive profit for the year		**344,767**	**402,763**
Earnings per share			
Basic (dollars per share)	12	**1.16**	**2.40**
Diluted (dollars per share)	12	**1.16**	**2.40**

The accompanying notes on pages 142 to 172 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Statement of **Changes in Equity**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

	Notes	Share capital $'000	Translation reserve $'000	Retained earnings $'000	Total equity $'000
Year ended 31 December 2015					
Balance at 1 January 2015		3,870,000	(51,125)	(896,149)	2,922,726
Capital reduction		(1,097,880)	-	1,097,880	-
Profit for the year		-	-	370,832	370,832
Other comprehensive income		-	31,931	-	31,931
Dividends	13	-	-	(77,402)	(77,402)
Balance at 31 December 2015		**2,772,120**	**(19,194)**	**495,161**	**3,248,087**
Year ended 31 December 2016					
Balance at 1 January 2016		2,772,120	(19,194)	495,161	3,248,087
Profit for the year		-	-	179,568	179,568
Other comprehensive income		-	165,199	-	165,199
Dividends	13	-	-	(232,200)	(232,200)
Balance at 31 December 2016		**2,772,120**	**146,005**	**442,529**	**3,360,654**

The accompanying notes on pages 142 to 172 form an integral part of these financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Statement of **Cash Flows**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

	Notes	2016 $'000	2015 $'000
Cash flows from operating activities			
Profit for the year before taxation		180,345	371,137
Adjustments to reconcile net profit for the year to net cash used in operating activities:			
Impairment reversal	11	(17,831)	(235,195)
Interest and other investment income	5(d)	(219)	-
Share of income from investment in joint venture		(163,955)	(136,279)
		(1,660)	(337)
Increase in amount due to related party		2,172	602
Decrease in trade and other receivables		436,972	-
(Decrease)/increase in trade and other payables		(20,035)	23
Cash flows from operating activities		417,449	288
Taxation paid		(544)	(276)
Net cash flow generated from operating activities		416,905	12
Cash flows from investing activities			
Interest and other investment income		219	-
Dividends from joint venture		181,294	-
Net cash generated from investment activities		181,513	-
Cash flows from financing activities			
Dividends paid	12	(232,200)	-
Net cash used in financing activities		(232,200)	-
Net increase in cash and cash equivalents		366,218	12
Net foreign exchange differences		(138)	(12)
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		**366,080**	**-**

The accompanying notes on pages 142 to 172 form an integral part of these financial statements.

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

1. Corporate information

Trinidad and Tobago NGL Limited (the 'Company' or 'TTNGL') was incorporated in Trinidad and Tobago on 13 September 2013 under The Companies Act, 1995. The Company's registered office is Orinoco Drive, Point Lisas Industrial Estate, Point Lisas. The Company acts as an investment holding company following its acquisition of 39% of the share capital of Phoenix Park Gas Processors Limited ('PPGPL'), in the form of Class B Shares of PPGPL. These PPGPL shares were previously held by Trinidad and Tobago Holdings LLC ('TT Holdings LLC'), the sole shareholder of which was The National Gas Company of Trinidad and Tobago Limited ('NGC' or 'parent'). NGC is owned by the Government of the Republic of Trinidad and Tobago ('GORTT').

Following an Initial Public Offering ('IPO') in August 2015, 49% of the Company is now owned by the public of Trinidad and Tobago in the form of Class B Shares. TTNGL began trading on the Trinidad and Tobago Stock Exchange on 19 October 2015. NGC's ownership in TTNGL stands at 51% in the form of Class A and Class B Shares.

2. Summary of significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs').

2.2 Basis of preparation

These financial statements have been prepared under the historical cost basis as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

a) **Investment in joint venture**

The Company has a 39% investment in Phoenix Park Gas Processors Limited, which is a jointly controlled entity involved in the extraction of propane, butanes and natural gasoline from the natural gas stream. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control.

The Company does not exercise unilateral control over PPGPL's significant operating and financial decisions and, therefore, accounts for PPGPL under the equity method of accounting. Under the equity method, the investment in a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the joint venture. When the Company's share of losses of a joint venture exceeds the Company's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Company's net investment in the joint venture), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The investment in a joint venture is accounted for using the equity method from the date of acquisition. On acquisition of the investment in the joint venture, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

a) **Investment in joint venture** (continued)

amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Impairment of the investment in the joint venture

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Company's investment in the joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment and is recognised in the statement of profit or loss and other comprehensive income.

Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

b) **Cash and cash equivalents**

Cash and cash equivalents are carried at cost. Cash and cash equivalents consist of cash at bank and short term deposits readily convertible to a known amount of cash with an original maturity of three months or less.

c) **Receivables and payables**

Amounts receivable and payable are recognised and carried at cost including amounts with related parties.

d) **Taxes**

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

d) **Taxes** (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets arising from tax losses not yet recognised are only carried forward if it is probable that future taxable profit will be sufficient to allow the benefit of the tax losses to be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss.

e) **Earnings per share**

Earnings per share are calculated using the weighted average number of shares outstanding during the period.

f) **Foreign currencies**

The presentation currency of the Company's financial statements is Trinidad and Tobago dollars ('TT$'). The Company has determined that its functional currency is the United States dollar ('US$'). The US$ is the currency of the primary economic environment in which the Company's joint venture operates. See note 4.1(b).

Transactions in foreign currencies are initially recorded in the functional currency by applying exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the reporting date exchange rate.

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

f) **Foreign currencies** (continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the translation. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are re-translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on re-translation are recognised in the statement of profit or loss and other comprehensive income.

For the purpose of presenting the financial statements, assets and liabilities are translated into TT$ using the period-end exchange rate and the operations and cash flows are translated using the average rates of exchange over the period.

Exchange differences arising from the translation into the presentation currency are recognised in other comprehensive income and recorded in the Company's translation reserve as a component of equity.

g) **Financial assets**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through the profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through the statement of profit or loss and other comprehensive income, directly attributable transaction costs.

The Company determines the classification of its financial assets on initial recognition and where allowed and appropriate, re-evaluates this designation at each financial year-end.

Fair value

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

h) **Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets may be impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the statement of profit or loss and other comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of profit or loss and other comprehensive income.

i) **Revenue recognition**

Interest

Interest income is accounted for on the accruals basis.

Dividends

Revenue is recognised when dividends are declared by the investee Company.

j) **Derecognition of financial assets and liabilities**

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

j) **Derecognition of financial assets and liabilities** (continued)

Financial assets (continued)

- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

k) **Provisions**

The Company recognises a provision when, as a result of a past event, it has a present legal or constructive obligation, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

2. **Summary of significant accounting policies** (continued)

2.2 **Basis of preparation** (continued)

l) **Comparatives**

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')**

3.1 **Amendments to IFRSs and new interpretations that are mandatorily effective for the current year**

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interest in Joint Operations***

  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

  A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

  The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016.

  The Directors of the Company are of the opinion that the application of the amendments to IFRS 11 will have no material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

  The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.1 **Amendments to IFRSs and new interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IAS 16 and IAS 38** ***Clarification of Acceptable Methods of Depreciation and Amortisation*** (continued)

  a) when the intangible asset is expensed as a measure of revenue; or

  b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

  The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

  The Directors of the Company are of the opinion that the application of the amendments to IAS 16 and IAS 38 will have no impact on the Company's financial statements.

- ***Annual Improvements to IFRSs 2011-2014 Cycle***

  The *Annual Improvements to IFRSs 2011-2014 Cycle* include a number of amendments to various IFRSs, which are summarised below.

  The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

  The amendments to IFRS 13 clarify the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even of those contracts which do not meet the definitions of financial assets or financial liabilities within IAS 32.

  The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

  a) the property meets the definition of investment property in terms of IAS 40; and

  b) the transaction meets the definition of a business combination under IFRS 3.

  The Directors of the Company are of the opinion that the application of these amendments will have no significant impact on the Company's financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.1 **Amendments to IFRSs and new interpretations that are mandatorily effective for the current year** (continued)

- ***Annual Improvements to IFRSs 2012-2014 Cycle***

  The *Annual Improvements to IFRSs 2012-2014 Cycle* include a number of amendments to various IFRSs, which are summarised below.

  IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

  IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

  IAS 19 — Clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

  IAS 34 — Clarify that the meaning of 'elsewhere in the interim report' and require a cross-reference.

- **Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***

  Amendments were made to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) to clarify the treatment of the sale or contribution of assets from an investor to its associate or joint venture, as follows:

  a) require full recognition in the Investor's financial statements of gains and losses arising on the sale or contribution of assets that constitute a business (as defined in IFRS 3 Business Combinations).

  b) require the partial recognition of gains and losses where the assets do not constitute a business, i.e. a gain or loss is recognised only to the extent of the unrelated investors' interests in that associate or joint venture.

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.1 **Amendments to IFRSs and new interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*** (continued)

  These requirements apply regardless of the legal form of the transaction, e.g. whether the sale or contribution of assets occurs by an investor transferring shares in a subsidiary that holds the assets (resulting in loss of control of the subsidiary), or by the direct sale of the assets themselves.

  The Directors of the Company are of the opinion that the application of these amendments will have no impact on the Company's financial statements.

- **Amendment to IAS 1 *Disclosure Initiative***

  Amendments were made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

  a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

  b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;

  c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

  The Directors of the Company are of the opinion that the application of these amendments will have no impact on the Company's financial statements.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**
FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.1 **Amendments to IFRSs and new interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IAS 27 *Equity Method in Separate Financial Statements***

  Amendments were made to IAS 27 *Separate Financial Statements* to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Consequently, an entity is permitted to account for these investments either:
  (i) at cost; or
  (ii) in accordance with IFRS 9 (or IAS 39); or
  (iii) using the equity method.

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception***

  Amendments were made to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates and Joint Ventures (2011)* to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

  a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
  b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
  c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
  d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

  The Directors of the Company are of the opinion that the application of these amendments would have no impact on the Company's financial statements.

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

• IFRS 9	Financial instruments[2]
• IFRS 15	Revenue from Contracts with Customers[2]
• IFRS 16	Leases[3]
• Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
• Amendments to IAS 7	Disclosure initiative[1]

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

- **IFRS 9 *Financial Instruments***

  IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2014 to include the new requirements for general hedge accounting. Another revised version of IFRS was issued in July 2015 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' ('FVTOCI') measurement category for certain simple debt instruments.

TRINIDAD AND TOBAGO NGL LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 **New and revised IFRSs in issue but not yet effective** (continued)

- **IFRS 9 *Financial Instruments*** (continued)

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 **New and revised IFRSs in issue but not yet effective** (continued)

- **IFRS 9 *Financial Instruments*** (continued)

Key requirements of IFRS 9 (continued):

– the new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors of the Company anticipate that the application of IFRS 9 in the future may have an impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company undertakes a detailed review.

- **IFRS 15 *Revenue from Contracts with Customers***

In May 2015, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 **New and revised IFRSs in issue but not yet effective** (continued)

- **IFRS 15 *Revenue from Contracts with Customers*** (continued)

  Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

  The Directors of the Company are of the opinion that the application of IFRS 15 in the future will have no impact on the amounts reported and disclosures made in the Company's financial statements.

- **IFRS 16 *Leases***

  IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

  The Directors of the Company are of the opinion that the application of IFRS 16 will have no impact on the Company's financial statements.

- **Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses***

  Amends IAS 12 Income Taxes to clarify the following aspects:

  Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

  The carrying amount of an asset does not limit the estimation of probable future taxable profits.

  Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

  An entity assesses a deferred tax asset in combination with other deferred tax assets.

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Trinidad and Tobago Dollars)

3. **Application of new and revised International Financial Reporting Standards ('IFRSs')** (continued)

3.2 **New and revised IFRSs in issue but not yet effective** (continued)

- **Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*** (continued)

  Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

  The Directors of the Company anticipate that the application of the amendments to IAS 12 in the future may have an impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of amendments to IAS 12 until the Company undertakes a detailed review.

- **Amendments to IAS 7 *Disclosure Initiative***

  Amends IAS 7 *Statement of Cash Flows* to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

  The Directors of the Company anticipate that the application of the amendments to IAS 7 in the future may have an impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of amendments to IAS 7 until the Company undertakes a detailed review.

4. **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the Directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

TRINIDAD AND TOBAGO NGL LIMITED

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4. **Critical accounting judgements and key sources of estimation uncertainty** (continued)

4.1 **Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

a) *Functional currency of the Company*

The Company is an investment holding company and is not engaged in any other activities. Management has analysed primary and secondary factors as guided by IAS 21 *The Effects of Changes in Foreign Exchange Rates* and has determined that the functional currency of the Company is the US$. This judgement is made on the basis that all of the Company's income is denominated in US$ which is consistent with the functional currency of PPGPL.

b) *Classification of investment held in PPGPL as a joint venture*

PPGPL is a limited liability company whose legal form confers separation between parties to the joint arrangement and the Company itself, see note 2.2(a) above for details of management's assessments.

5. **Investment in joint venture**

a) **Acquisition of TT Holdings LLC and investment in Phoenix Park (collectively, the 'Acquisition')**

On 27 February 2014, the Company authorised and issued 38,700,000 Class A Shares and 116,100,000 Class B Shares for $25 per share in each class of shares.

The Company's Class A Shares and Class B Shares carry the same voting rights and are generally subject to the same rights, privileges, restrictions and conditions, except for the right to appoint directors of the Company and conversion rights. Class A Shares may be converted into an equal number of Class B Shares at any time.

Share for share exchange

On 27 February 2014, NGC exchanged its 100% shareholding in TT Holdings LLC with the Company in exchange for 38,700,000 Class A Shares and 116,100,000 Class B Shares of the Company, representing 100% of the Company's issued share capital valued at $3,870,000,000. At the close of this transaction, the Company became the 100% shareholder of TT Holdings LLC, and NGC became the holder of 100% of the Company's issued Class A and Class B Shares.

Notes to the **Financial Statements**

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5. **Investment in joint venture** (continued)

a) **Acquisition of TT Holdings LLC and investment in Phoenix Park (collectively, the 'Acquisition')** (continued)

Distribution of investment in specie and dissolution of TT Holdings LLC

As at 24 March 2014, TT Holdings LLC made a distribution in specie whereby all of its net assets, including shares held in PPGPL were transferred to the Company. Accordingly, the 39.0% Effective Ownership Interest in PPGPL previously held by TT Holdings LLC was distributed in specie to the Company in the amount of $3,870,000,000 and the Company became the direct holder of the 39% Effective Ownership Interest in PPGPL.

Initial Public Offering of Class B Shares of the Company

In August 2015, NGC offered 49% of the Company to the public of Trinidad and Tobago through an Initial Public Offering ('IPO'). The Offer comprised 75,852,000 of NGC's Class B Shares in the Company at an offer price of $20.00 per share.

b) **Details of the Company's joint venture at the end of the reporting period are as follows:**

Name of joint venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company
Phoenix Park Gas Processors Limited	Extraction of propane, butane and natural gasoline from the natural gas stream	Rio Grande Drive, Point Lisas Industrial Estate, Point Lisas	39%

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5. **Investment in joint venture** (continued)

b) **Details of the Company's joint venture at the end of the reporting period are as follows:** (continued)

The movement in the carrying value of the Company's 39% share of the assets, liabilities and income and expenses of Phoenix Park Gas Processors Limited as at the statement of financial position date is included below.

	2016	2015
	$'000	$'000
Share of PPGPL's assets/liabilities:		
Movement in investment in joint venture during the reporting period		
Investment in joint venture as at 1 January	2,827,778	2,730,904
Share of profit in joint venture (Note 5 (d))	163,955	136,279
Dividends received	(168,345)	(301,566)
Impairment reversal on investment	17,831	235,195
Exchange rate adjustment	143,943	29,966
Investment in joint venture	**2,985,162**	**2,827,778**

The above joint venture is accounted for using the equity method in the Company's financial statements.

c) **Summarised financial information in respect of the Company's joint venture is set out below:**

The summarised financial information following represents amounts shown in PPGPL's financial statements prepared in accordance with IFRSs. The information was extracted from PPGPL's audited financial statements for the year ended 31 December 2016 and audited statements for the year ended 31 December 2015 which have been presented in United States dollars, PPGPL's functional currency.

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	2016	2015
	US$'000	US$'000
Statement of financial position of PPGPL		
Cash and cash equivalents	52,109	72,815
Other current assets	89,674	76,571
Total current assets	141,783	149,386
Non-current assets, excluding goodwill	278,717	299,111
Total assets	420,500	448,497
Current financial liabilities	(18,450)	(23,450)
Other current liabilities	(39,098)	(43,852)
Total current liabilities	(57,548)	(67,302)
Non-current financial liabilities	(124,752)	(141,300)
Total liabilities	(182,300)	(208,602)
Net assets	**238,200**	**239,895**

Statement of profit or loss and other	**2016**	**2015**
comprehensive income of PPGPL	**US$'000**	**US$'000**
Revenue	300,902	383,810
Cost of sales	(157,802)	(218,240)
Interest income	150	169
Other operating expenses (net)	(25,856)	(41,868)
Depreciation and amortisation	(16,790)	(21,886)
Interest expense	(1,467)	(11,536)
Profit before taxation	99,137	90,449
Income tax expense	(35,832)	(35,452)
Profit after taxation	63,305	54,997
Other comprehensive income	-	-
Total comprehensive income	**63,305**	**54,997**

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5. **Investment in joint venture** (continued)

d) **Reconciliation of the above summarised financial information to the carrying amount of the investment in the joint venture recognised in the Company's financial statements:**

	2016	2015
	$'000	**$'000**
Net assets of PPGPL denominated in US$	238,200	239,895
Exchange rate at reporting date	6.7459	6.4196
Net assets of PPGPL denominated in TT$	1,606,873	1,540,030
Proportion of the Company's ownership interest in the joint venture	39%	39%
39% of net assets of PPGPL	626,681	600,612
Excess of investment over carrying amount of PPGPL's net assets	2,340,650	1,991,971
Impairment reversal on investment in joint venture	17,831	235,195
Carrying amount of the Company's investment in the joint venture	**2,985,162**	**2,827,778**

Reconciliation of the above summarised financial information to the share of profit in the joint venture recognised in the Company's financial statements:

	2016	2015
	$'000	**$'000**
PPGPL's total profit for the year denominated in US$	63,305	54,997
Average exchange rate for the year ended 31 December	6.6408	6.3537
PPGPL's total profit for the year denominated in TT$	420,396	349,434
Proportion of the Company's ownership investment in joint venture	39%	39%
Share of profit in the joint venture	163,955	136,279
Share of profit from the investment in joint venture	**163,955**	**136,279**

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6. Trade and other payables

Trade and other payables are non-interest bearing and have an average term of three months. The following table presents the details of accounts payable and accrued liabilities:

	2016	2015
	$'000	**$'000**
Audit fees	55	58
Sundry payables	120	-
	175	**58**

7. Cash and cash equivalents

	2016	2015
	$'000	**$'000**
Cash at bank and on hand	366,080	-

Cash at bank earns interest at fixed rates based on daily deposit rates.

8. Share capital

Authorised:

An unlimited number of ordinary 'A' shares of no par value

An unlimited number of ordinary 'B' shares of no par value

	2016	2015
	$'000	**$'000**
Issued and fully paid:		
38,700,000 ordinary 'A' shares of no par value	693,030	693,030
116,100,000 ordinary 'B' shares of no par value	2,079,090	2,079,090
	2,772,120	2,772,120

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9. Related party transactions

The following table provides the total amount of material transactions, which have been entered into with related parties and the balances outstanding for years ended 31 December 2016 and 31 December 2015:

	2016	2015
	$'000	$'000
Amount due from related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Dividends received on behalf of the Company	**-**	**415,836**
Amount due to related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Reimbursement for expenses paid on behalf of the Company	(1,920)	(1,104)
Phoenix Park Gas Processors Limited:		
Reimbursement for expenses on behalf of the Company	(1,412)	-
	(3,332)	**(1,104)**
Dividends receivable		
Phoenix Park Gas Processors Limited	13,155	25,036
Income/(expenses) from related parties		
The National Gas Company of Trinidad and Tobago Limited:		
Interim dividends paid	**(77,400)**	**(77,402)**
Phoenix Park Gas Processors Limited:		
Dividends received	**168,344**	**301,566**
Key management compensation		
Directors' fees and allowances	**(246)**	**(282)**

Notes to the **Financial Statements**

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10. Taxation

a) The taxation charge consists of the following:

	2016	**2015**
	$'000	**$'000**
Green Fund Levy	544	305
Business Levy	233	-
	777	**305**

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate:

	2016	**2015**
	$'000	**$'000**
Profit before taxation	179,959	371,137
Income taxes thereon at the rate of 25%	44,990	92,784
Tax effect of items not allowable for tax:	(44,990)	(92,784)
Non-deductible expense:		
Green Fund Levy	544	305
Business Levy	233	-
	777	**305**

11. Impairment

	2016	**2015**
	$'000	**$'000**
Impairment reversal	**17,831**	**235,195**

Management engaged an independent valuation expert to conduct an impairment assessment of the Company's 39% shareholding investment in PPGPL as at the date of the statement of financial position.

For 2015, a similar impairment assessment led to the recognition of an impairment reversal of $235.2 million, which has been recognised and separately disclosed on the statement of profit or loss. As with the 2015 exercise, the primary drivers for the impairment assessment continue to be the following factors:

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11. **Impairment** (continued)

- Accessibility of available and more economical sources of energy (particularly North American shale resources) continue to compress both demand and prices for natural gas products. Alternate energy sources have been more economical in certain countries which have access to energy sources and processing infrastructure at closer proximity, industrial and commercial applications are able to tap energy sources at cost levels that are not inhibiting. Overall global supply remains above demand resulting in higher inventory levels and depressed energy commodity prices.

- Issues of local gas supply in the short to medium term and natural gas liquids ('NGLs') content in the gas stream over the longer term.

The impairment assessment for 2016 led to a further partial reversal of $17.8 million, of the impairment loss that was recognised in 2014. The partial reversal was due to an increase in the recoverable amount which was driven by the implementation of value creating opportunities with third-party suppliers including Product Trading.

The recoverable amount of the Company's investment in joint venture is based on a value in use calculation which uses cash flow projections which was determined from financial information approved by the Board of Directors of the Company covering a twenty-year period from 2017 to 2036, and a discount rate of 11.90% (2015: 12.11%) per annum which was based on a market estimate of the weighted average cost of capital. Cash flows beyond the twenty-year period have been extrapolated assuming no growth rate after year 2036. The key assumptions used in the value in use calculations are as follows:

- Discount rate of 11.90%
- Selling prices of NGLs have stabilised in 2016 and are expected to rise in 2017 and steadily increase year on year. Selling prices of NGLs included in the cash flow projections are based on management's best estimate taking into consideration current market conditions. Prices are based on forecasted market prices which are provided by a highly reputable company.

A change in the key assumptions has been analysed and presented below:

- Discount rate
  A 1% decrease in the discount rate while holding all other variables will increase the impairment reversal to $29.7 million while a 1% increase in the discount rate results in an impairment loss of $13.7 million.

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11. **Impairment** (continued)

- Selling prices of NGLs
  - A 5% increase/decrease in the selling prices of NGLs while holding all other variables will increase/decrease the impairment reversal by $27.0 million.
  - A 10% increase/decrease in the selling prices of NGLs while holding all other variables will increase/decrease the impairment reversal by $54.0 million.

12. **Earnings per share**

	2016	2015
	$	**$**
Basic earnings per share	**1.16**	**2.40**

The profit and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2016	2015
	$'000	**$'000**
Profit used in the calculation of basic earnings per share	**179,568**	**370,832**

	Shares	Shares
	'000	**'000**
Weighted average number of ordinary shares for the purposes of basic earnings per share	**154,800**	**154,800**

13. **Dividends paid**

	2016	2015
	$'000	**$'000**
2015 interim dividend - **$0.50** per share	-	77,402
2015 final dividend - **$1.00** per share	154,800	-
2016 interim dividend - **$0.50** per share	77,400	-
	232,200	**77,402**

On 8 August 2016, the Board of Directors declared an interim dividend of $0.50 per share for the half-year 2016. This dividend was accrued to shareholders on the Register as at 25 August 2016 and was paid on 9 September 2016.

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14. Capital management

The Company manages its shares as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue and to maintain a flexible capital structure which optimises the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company may prepare expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regard to the expected timing of expenditures from continuing operations.

The Company expects its current capital resources will be sufficient to carry its operations through its current operating period.

15. Financial risk management objectives and policies

Risk management

In the normal course of business, the Company is exposed to financial risk and manages that risk, as follows:

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The primary source of liquidity is expected to be dividend income, which is used to finance working capital and to meet the Company's financial obligations associated with financial liabilities.

Credit risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company is not currently exposed to significant credit risk.

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15. **Financial risk management objectives and policies** (continued)

Risk management (continued)

Market risk

Market risk is the risk that changes in market prices will have an effect on future cash flows associated with financial instruments. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the Company's return on its assets.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. The Company is not currently exposed to interest rate risk as it does not have any interest bearing financial liabilities and interest bearing financial assets are at fixed rates of interest.

Currency risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Company is exposed to foreign currency risk arising from exposure with respect to the United States dollar. Management monitors its exposure to foreign currency fluctuations on a continuous basis and employs appropriate mitigation strategies.

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15. **Financial risk management objectives and policies** (continued)

Risk management (continued)

Currency risk (continued)

The following table shows balances outstanding at year-end denominated in foreign currencies:

	TT	US	Total
As at 31 December 2016	**$'000**	**$'000**	**$'000**
Assets			
Investment in joint venture	-	2,985,162	2,985,162
Dividends receivable	-	13,155	13,155
Cash and cash equivalents	1,008	365,072	366,080
Total assets	**1,008**	**3,363,389**	**3,364,397**
Liabilities			
Due to parent company/related party	3,332	-	3,332
Trade and other payables	175	-	175
Income tax payable	236	-	236
Total liabilities	3,743	-	3,743
Net position	**(2,735)**	**3,363,389**	**3,360,654**

	TT	US	Total
As at 31 December 2015	**$'000**	**$'000**	**$'000**
Assets			
Investment in joint venture	-	2,827,778	2,827,778
Due from parent company	-	415,836	415,836
Dividends receivable	-	25,036	25,036
Total assets	**-**	**3,268,650**	**3,268,650**
Liabilities			
Due to parent company/related party	1,104	-	1,104
Dividends payable	19,350	-	19,350
Trade and other payables	58	-	58
Income tax payable	51	-	51
Total liabilities	20,563	-	20,563
Net position	**(20,563)**	**3,268,650**	**3,248,087**

(Amounts expressed in Trinidad and Tobago Dollars)

15. **Financial risk management objectives and policies** (continued)

Risk management (continued)

Currency risk (continued)

The following table demonstrates the sensitivity to a reasonable possible change in the TT dollar exchange rate with all other variables held constant of the Company's profit before taxation:

	Increase/ (decrease) in exchange rate	Effect on other comprehensive income
	%	$'000
2016	3%	5,416
	(3%)	(5,416)
2015	3%	11,140
	(3%)	(11,140)

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The Company's primary source of income is dividend income derived from its underlying investment in PPGPL. PPGPL is exposed to market/feedstock price movements that could adversely affect the value of its financial assets, liabilities and future cash flow.

Fair values

Financial instruments include accounts payable and accrued liabilities. The carrying values of these financial instruments are approximate to their fair value due to their short term nature.

16. **Events after the reporting date**

In September 2016, the Government of the Republic of Trinidad and Tobago signalled its intent to further divest NGC's shareholding in TTNGL. This divestment is expected to occur in 2017. As at the date of these financial statements no further information on this divesture has been obtained.

Phoenix Park Gas Processors Limited

Appendix II

Business Overview

INTRODUCTION

Phoenix Park's core business consists of natural gas processing, natural gas liquids (NGLs) aggregation, fractionation and product marketing. Phoenix Park operates Trinidad and Tobago's only natural gas processing and NGLs fractionation plant and is the largest producer and marketer of propane, mixed butane, isobutane and natural gasoline in Trinidad and Tobago. Phoenix Park has established its position as the NGLs hub of Trinidad and Tobago over its twenty-six (26) years as the primary aggregator and marketer of the country.

Natural gas produced in Trinidad and Tobago is supplied to two major industrial locations, Point Lisas and Point Fortin. Natural gas supplied to Point Lisas is supplied by NGC based on long-term purchase contracts with producers and is then sold by NGC to consumers. Currently, there are no competitive alternative destinations for the feed gas supplied by NGC. Phoenix Park's contract with NGC gives it the sole right to process all gas delivered by NGC at Point Lisas up to 2.0 bcfd.

Phoenix Park owns and operates a gas processing straddle plant based around three (3) cryogenic trains with a design capacity totaling 1.95 bcfd; three (3) NGLs fractionators that separate propane, butane, and natural gasoline; one (1) butane splitting facility that produces normal butane and isobutane; six (6) product storage tanks; and one (1) marine loading dock. Phoenix Park leases and operates an additional marine loading dock facility from Yara Trinidad Ltd.

Phoenix Park's gas processing plants and associated infrastructure are located at Point Lisas on the west coast of Trinidad, where the majority of Trinidad and Tobago's major natural gas consumers are located. The facilities occupy approximately 100 acres of land, which Phoenix Park leases from PLIPDECO, a public company partially owned by GORTT, on thirty (30) year leases. The first lease term expires in 2019 and Phoenix Park has an option to renew this lease for a further five (5) year period. The Company's corporate head office is located at Rivulet Road in Couva.

Since the start of its operations in 1991, Phoenix Park has successfully executed a number of enhancement and expansion projects to take advantage of the growth in its suppliers' gas production levels and growth in downstream consumer gas demand. The last expansion project was completed in 2009. It included the addition of a third gas processing plant, which increased the processing capacity by 600 mmcfd, as well as a supplemental natural gasoline capacity storage tank and a mixed butane splitter. Currently, Phoenix Park is in the process of executing the modifications to its marine loading dock to enable the import and re-export of NGLs.

Phoenix Park's operations are managed by a leadership team that is comprised of highly experienced industry personnel. The leadership team has an average tenure with Phoenix Park and an average industry experience of fourteen (14) and twenty-three (23) years, respectively. The majority of the leadership team have reached their management positions through internal performance-based promotions. Phoenix Park currently employs 182 employees, comprising 180 Trinidad and Tobago nationals and two (2) CARICOM nationals.

Phoenix Park's feedstock is supplied by NGC and ALNG under long-term feedstock agreements. Its processing agreements were primarily signed between 1999 and 2010, and can be summarized as follows:

- NGC (twenty (20) years commencing 2009)
- ALNG 1 (ten (10) years commencing 1999, automatically renewed annually up to 2024)
- ALNG 2/3 (twenty (20) years commencing 2002)
- ALNG 4 (twenty (20) years commencing 2004)

Several of these contracts feature automatic renewals and/or extension options. Further details are presented in the Section below.

The vast majority of Phoenix Park's revenues are derived from export sales based on term contracts. Several of its NGL customers have had tenures of over ten years with Phoenix Park.

Operations

The following graph, Fig A.i.1, illustrates a simplified process flow of Phoenix Park's operations:

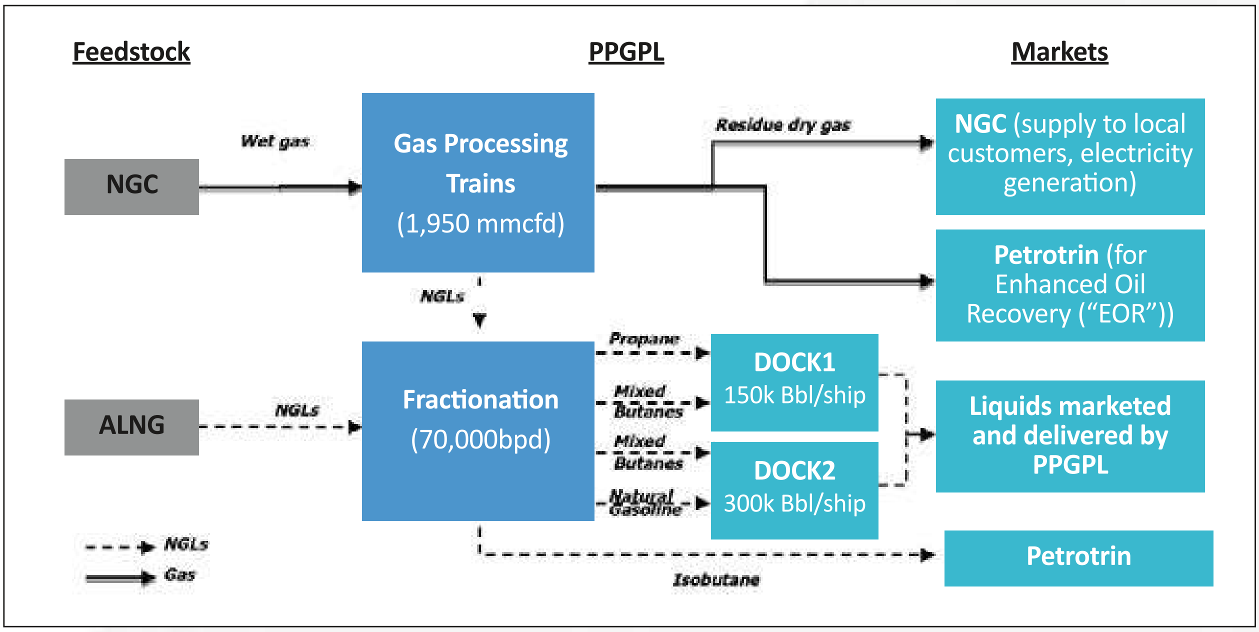

Fig A.i.1: Overview of Phoenix Park's operations.

Production process at a glance

Phoenix Park processes feedstock supplied from NGC by extracting NGLs and fractionating them into three (3) product streams – propane, butane (collectively "liquid petroleum gas" or "LPG") and natural gasoline. The plant can process up to 1.95 bcf per day of feedstock gas and fractionate up to 70,000 barrels per day of NGLs. The Products are stored in on-site storage tanks (at either refrigerated or ambient temperature) prior to being loaded onto marine tankers from loading terminals for transport to customers located in the Caribbean, South American, Central American, and European markets.

Production process at a glance (continued)

Phoenix Park also has the capacity to split its mixed butane stream into normal and isobutane. Currently, the isobutane is sold under a long-term contract to Petrotrin.

Phoenix Park takes title to the Products extracted from the feedstock gas, and the processed "residue gas" is returned to NGC. NGC distributes this residue gas to various end-users operating in the petrochemical, power generation, heavy industry and light industry sectors in Trinidad and Tobago.

Phoenix Park also fractionates NGLs produced by ALNG's natural gas liquefaction plants at Point Fortin, located in southwest Trinidad. Phoenix Park takes title to the NGLs from ALNG 1 and ALNG 2/3 while the NGLs from ALNG 4 are fractionated under a tolling arrangement. The resultant Products are stored and exported with the Products extracted from the feedstock gas from NGC.

Gas Processing

Phoenix Park operates three cryogenic natural gas processing plants with 1.95bcfd of combined processing capacity. These plants employ a cryogenic cooling process, for the recovery of hydrocarbons from natural gas. The liquid recovery process uses proprietary technology, licensed from Pan West and Ortloff, designed to cool the natural gas and recover essentially all of the NGLs contained in the natural gas stream.

NGLs Fractionation

Phoenix Park operates three fractionation plants with the capacity of separating up to 70,000 BPD of NGLs. The fractionation facilities separate the NGLs mixture received from the gas plants into propane, mixed butane, isobutane and natural gasoline. Phoenix Park is also supplied NGLs from ALNG, which are fractionated together with NGLs extracted from natural gas from NGC.

Storage and Shipping

The Products are stored in specialized tanks where it builds inventory until the Products are shipped in ocean-going tankers to its customers. Phoenix Park currently has an overall storage capacity of approximately 1,250,000 barrels. Its storage capacity allows Phoenix Park to better manage the impact of market volatility and provides some flexibility to mitigate risks related to business disruptions.

Phoenix Park operates two (2) product loading docks, with up to 54,000 Cbm of capacity and overall loading capacity of up to 10,000 barrels per hour, capable of handling large ships with a carrying capacity of up to 300,000 Bbls. These marine export terminals enable Phoenix Park to export Products in large cargo sizes to the North, Central and South American markets, as well as to ship smaller LPG shipments to the Caribbean LPG market. One of the dock facilities is owned by Phoenix Park, while the other is operated under a long-term lease agreement from Yara Trinidad Ltd. This lease agreement will expire in 2018 and there are no renewal provisions in the agreement. The renewal of this lease is being discussed with Yara Trinidad Ltd.

Outstanding Operational Performance

Phoenix Park has had an outstanding operational record since its formation. Its plants have been operating at an average uptime of over 97.0%, due primarily to the expertise it has developed in safe and efficient process plant operations and its robust asset integrity maintenance program.

Exceptional Safety Record

Phoenix Park's operations are managed by skilled plant personnel who are dedicated to performance and safety. As a result, Phoenix Park has a strong safety track record and has continuously maintained its position as the leader in safety and environment management in the local energy sector and has ranked among the best in the international gas processing industry. The adherence to high safety standards has helped Phoenix Park to keep its operational disruption costs low.

Phoenix Park has recorded many notable achievements and industry acclaim in its history for its strong safety record. Phoenix Park has continued to maintain its safety leadership position as it again ranked first in Category 2 (100,000 - 500,000 annual work hours) at the 2016 GPA safety awards. The GPA recognizes its member companies with safety excellence awards for their outstanding industry safety records at their annual GPA Convention.

Phoenix Park has experienced just three (3) lost workday cases in its 26 years of operations, an important statistic which speaks to its safety culture.

Feedstock

Phoenix Park receives feedstock volume from the following sources under long-term supply agreements:

	NGC GPA	ALNG 1 NGLs Sales Agreement	ALNG 2/3 NGLs Sales Agreement	ALNG 4 NGLs Processing Agreement
Scope	Extract NGLs from wet gas supplied by NGC and return dry gas to NGC	Acquire, transport and fractionate NGLs supplied by ALNG 1 and store and market NGLs products	Acquire, transport and fractionate NGLs supplied by ALNG 2/3 and store and market NGLs products	Transport and fractionate NGLs supplied by ALNG 4 and store and deliver NGLs products to ALNG 4
Volume	Up to 2.0 Bcfd	Up to 8,000 bbls/d	Up to 12,000 bbls/d	Up to 12,000 bbls/d
Term	20-year term ending 2029	10 years ended April 2009, with automatic annual renewals	20 years, no buyout option up to 2023 with an option to extend the contract for a further 10 years	20 years, no buyout option up to 2024
Purchase Price	Based upon BTU value of NGLs extracted from inlet gas by Phoenix Park	Phoenix Park pool product price less price differential	Supply-or-pay [2]	Supply-or-pay [2]
% fixed / % Market	50.0% / 50.0%	100.0% / 0.0%	100.0% / 0.0%	100.0% / 0.0%

2 *For the ALNG T2/3, ALNG T4 and the agreements with Phoenix Park, a supply-or-pay arrangement exists whereby Phoenix Park receives the monthly differential/processing fee regardless of volumes delivered up to 12,000 BPD for each agreement. A similar clause exists for the isobutane arrangement whereby Phoenix Park receives the monthly capacity fee regardless of volumes requested by Petrotrin up to 3,500 BPD.*

Suppliers – Processing NGC Gas

NGC supplies 100% of Phoenix Park's Inlet gas, approximately 1,401 Mmcfd in 2016. Phoenix Park extracts NGLs from the NGC gas stream, fractionates and then markets the Products that result from the NGLs fractionation. Phoenix Park retains all of the proceeds that it earns from sales of those Products, and pays NGC for the BTUs it has extracted in the form of NGLs. That payment is based on a fixed price per Mmbtu, and is 50.0% indexed to MBV pricing and 50.0% based on an adjustment tied to the PPI.

Suppliers – Fractionating ALNG NGLs

ALNG supplies NGLs to Phoenix Park, and is the sole producer and exporter of LNG in Trinidad and Tobago. ALNG sources its natural gas from producers in Trinidad and Tobago to liquefy the natural gas for export to other markets. In the process of producing LNG, ALNG generates NGLs as a by-product. Phoenix Park receives these NGLs and fractionates them into Products. In 2016, ALNG supplied approximately 12,205 BPD of NGLs for fractionation by Phoenix Park.

Under these agreements with ALNG, the revenue received by Phoenix Park is computed relative to the fractionation capacity of 32,000 BPD that Phoenix Park is obligated to have ready and available for ALNG.

Under the agreement with Atlantic LNG Company of Trinidad and Tobago ("ALNG 1"), Phoenix Park is obligated to provide up to 8,000 BPD of fractionation capacity and earns a price differential from ALNG 1 based on volumes received.

On the other hand, the price differential received from Atlantic LNG 2/3 Company of Trinidad and Tobago ("ALNG 2/3") is earned once Phoenix Park's facilities are ready and able to receive up to 12,000 BPD of NGLs from ALNG 2/3 and is earned even if ALNG 2/3 does not deliver any NGLs to Phoenix Park.

Similarly the processing fee received from Atlantic LNG 4 Company of Trinidad and Tobago ("ALNG 4") is earned once Phoenix Park's facilities are ready and able to receive up to 12,000 BPD of NGLs from ALNG 4 and is earned even if ALNG 4 does not deliver any NGLs to Phoenix Park.

Product Marketing

Products generated from the processing of NGC gas and fractionating ALNG NGLs are pooled and marketed by Phoenix Park. All of Phoenix Park's sales are denominated and payable in US dollars. Export sales constituted approximately 90.0% of total sales revenue in 2016.

Phoenix Park's customers consist mainly of international LPG trading companies, oil trading companies, and major integrated oil companies. Over the last five (5) years, between 90.0% and 99.0% of total annual revenue was based on term contracts with customers, which typically have an average duration of one (1) to three (3) years, and the number of annual customers range between ten (10) and fifteen (15) during this timeframe. Phoenix Park's existing contract with Glencore for the sale of natural gasoline has a term of five (5) years. The remaining revenue was generated from spot sales.

Phoenix Park's revenue can be segmented into three different streams:

- Revenue from gas processing is derived by extracting BTUs from natural gas suppliers' wet natural gas in the form of NGLs, fractionating the NGLs into the component products, retaining and marketing these products.

- Revenue from sales of ALNG volumes is generated from fractionating NGLs supplied from the liquefied natural gas plants of ALNG and marketing these products. Phoenix Park earns the difference between the price it pays ALNG for NGLs and the price it receives from the sale of the products (ALNG 1, and ALNG 2/3).

- Third-party processing/capacity fees are based on an arrangement with ALNG 4, under which Phoenix Park earns a processing fee for fractionating the NGLs stream from ALNG 4 into products and delivering such products back to ALNG 4, and on a contract with Petrotrin, under which Phoenix Park earns a fee for supplying Petrotrin with isobutane. While the volume of third-party processing may vary from year to year, the respective revenue is fixed.

Pricing

Phoenix Park utilizes MBV as the price reference point for its NGLs sales. As a price taker, Phoenix Park is exposed to the MBV price, which is based on trading of LPG in the US domestic market, as well as supply-and-demand-driven market dynamics.

While Phoenix Park has no control of the base MBV price, it does have some degree of influence over the price differential that it charges to its customers. Since 2016, that price differential, representing the difference between the reference price (MBV) and the added price that customers are willing to pay to secure their product supply from Phoenix Park, has declined due to the increased competition in its markets due to the influx of products from the North American shale producers. Phoenix Park's negotiation power with regard to the price differential is therefore largely determined by the dynamics of the global NGL market.

Liquefied Petroleum Gas (LPG)

In 2016, approximately 49.0% of Phoenix Park's sales revenue was derived from LPG sales, comprised of propane 30.0% and butane 20.0%. LPG is primarily sold to the Caribbean and Central American markets. Phoenix Park is able to charge its customers a premium price in these markets due to its ability to leverage Trinidad and Tobago's proximity to these markets, its marketing strengths, and its ability to ship and sell to these markets in flexible volumes.

Notwithstanding the availability of products from competitor sources, Phoenix Park believes that its geographic location relative to its core markets and the quality of its products make it the preferred choice of LPG purchasers.

Natural Gasoline

In 2016, approximately 51.0% of Phoenix Park's revenue was derived from sales of natural gasoline. The target market for its natural gasoline is South America, with Colombia being the primary market. Phoenix Park's natural gasoline is high in arsenic and sulphur and is therefore sold into the diluents market where it derives its highest value.

Product Marketing (continued)

Competition

Phoenix Park faces competition from regional producers in its export destination countries, primarily in North America as well as South America and Central America. A significant portion of Phoenix Park's main competitors' output is sold in their respective domestic markets, while an increasing percentage is being exported into markets in which it competes with Phoenix Park's exports.

Phoenix Park has been able to differentiate its products and services from those of its competitors by continuing to develop its marketing strengths, which include high quality products, fast vessel turnaround, cargo size flexibility, strong customer loyalty, dedicated 24-hour dock facilities, as well as proximity to premium markets.

Corporate Structure

Phoenix Park is effectively owned by NGC NGL (51.0%), the Company (39.0%) and Pan West (10.0%).

NGC NGL is effectively owned by NGC (80.0%) and by NEL (20.0%). NGC presently Controls the board of Phoenix Park through its 51% effective ownership in the Company together with its 80.0% ownership of NGC NGL and its 17.0% ownership of NEL.

NGC, which is owned by GORTT, has been involved in the natural gas industry since 1975 and controls the distribution rights and sales of natural gas, excluding LNG, in Trinidad and Tobago. NEL is a holding company listed on the TTSE and it is also 66.0% effectively owned by GORTT and 17.0% effectively owned by NGC. Pan West is owned in equal proportion by an investment consortium comprising NIBTT, NEL, and UTC.

The following diagram, Fig A.i.2, illustrates the corporate structure of the Company as at the date of this Prospectus. Please note that the percentages in the diagram represent ownership interests as opposed to control percentages.

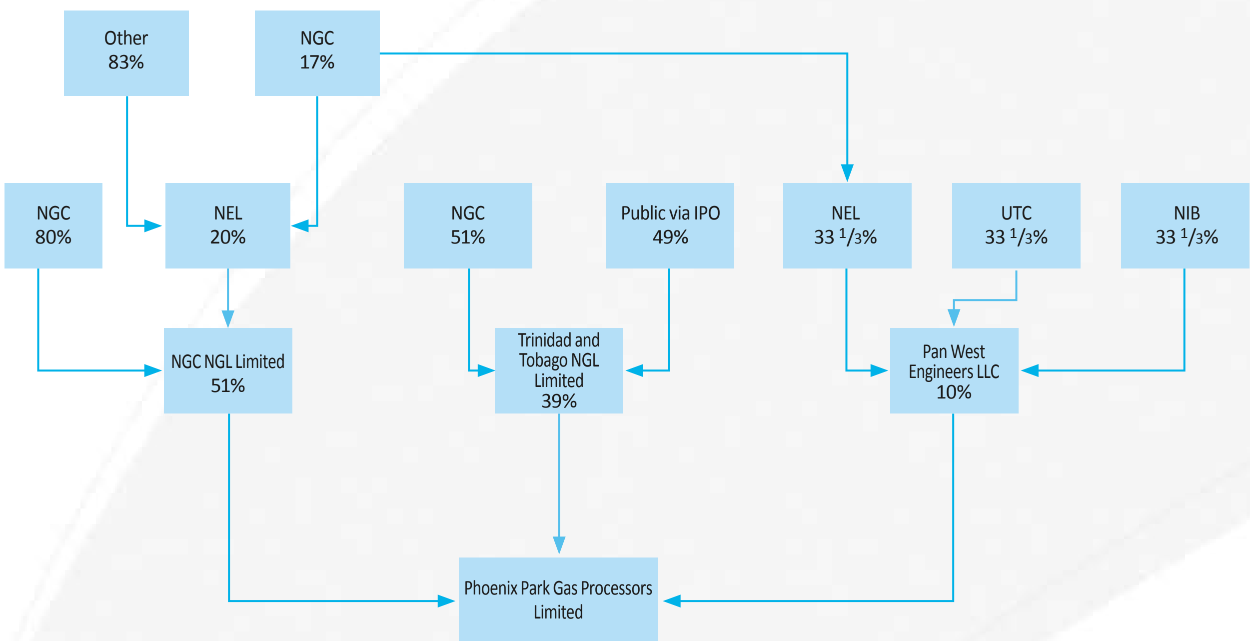

Fig A.i.2: Ownership structure of Phoenix Park as of the date of this Prospectus.

Phoenix Park Gas Processors Limited

Appendix III

Industry Overview

GLOBAL INDUSTRY SNAPSHOT

Demand

Factors that affect the global industry's natural gas demand mainly include: (1) industrial and commercial consumption levels correlated to economic growth, (2) variations in weather-driven energy consumption levels and (3) comparative prices for alternatives to natural gas energy.

1) During periods of economic growth, there is an increase in industrial and commercial activity, which commonly leads to a higher use of NGLs in the petrochemical sector, helping support higher natural gas prices. Price decreases typically coincide with periods of economic contraction.

2) Weather impacts demand and in turn prices, mainly in relation to propane, which is commonly used as heating fuel.

3) Accessibility of available and more economical sources of energy compress both demand and prices for natural gas products. Alternate energy sources may be more economical in case countries have access to energy sources and processing infrastructure at closer proximity, industrial and commercial applications are able to tap energy sources at cost levels that are not inhibiting, and overall global supply surpasses demand.

Supply

NGLs are derived from both crude and natural gas production and are therefore impacted by events that enhance or inhibit production and market access of these commodities. Factors that affect the availability and the cost of commodities mainly include: (1) variations in weather, (2) inventory levels, and (3) fluctuations in import and export volumes.

1) Hurricanes or other forms of extreme weather typically have a deleterious impact on supply facilities as well as logistical planning.

2) The amount of NGL product inventories that have accumulated in storage facilities in the US may cause dampening effects on prices as it is a consequence of oversupply, whereas lower inventories often result from a ramped up demand.

3) Import and export volume levels directly impact the degree of available natural gas supply. As such, global instability caused by political upheaval and conflicts in significant global supply centers apply downward pressure on prices.

Pricing

NGLs produced and marketed by Phoenix Park are priced in accordance with the MBV NGL hub, which is based on NGL trading in the US domestic market. While MBV prices are heavily driven by US market fundamentals, these prices are also indicative of volatilities in the global market.

Historically, NGL prices were closely correlated to crude oil prices. Further NGL price fluctuations were primarily driven by seasonality, NGL inventory levels at MBV as well as prices of alternative fuels. The positive correlation between NGL and crude oil prices relates to the fact that these commodities are substitutes in certain markets, especially in the heating oil market. As such, NGL prices are exposed to the same price shocks that crude oil experiences. Hence, the increase in NGL prices from 2010 to 2011 was mainly a result of escalating crude oil prices.

However, the close correlation between NGL prices and crude oil prices has decreased in recent years due to higher NGL production from shale gas. Consequently, NGL prices have declined in recent years, mainly in 2012 and in 2014. It should be noted that NGL prices started to fall prior to the decrease in oil prices.

The following graph, Fig A.ii.1, illustrates the historical price trends for Phoenix Park's products (Propane, Butane, and Natural Gasoline) plotted against the backdrop of crude oil prices.

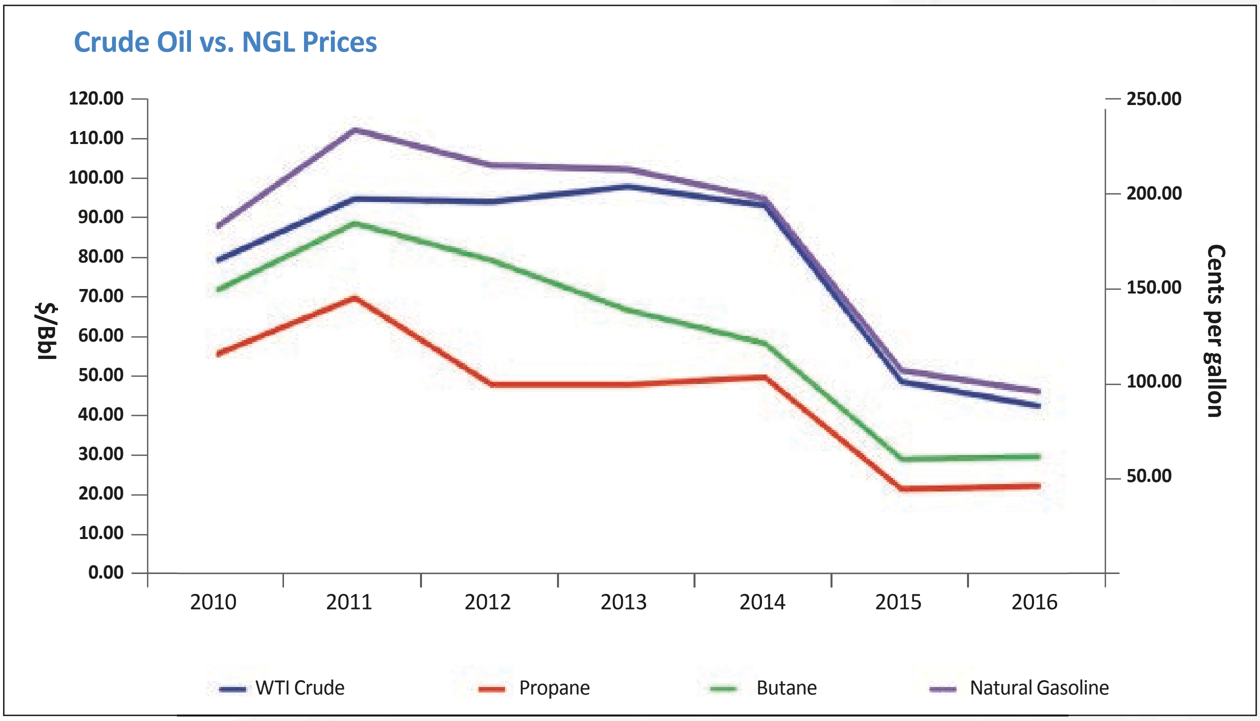

Fig A.ii.1: 7-year historical price trends for crude oil and NGL products

GLOBAL INDUSTRY SNAPSHOT (continued)

Pricing (continued)

According to IHS, MBV prices are expected to trend slightly upwards over the next five (5) years, as illustrated by the following graph, Fig A.ii.2:

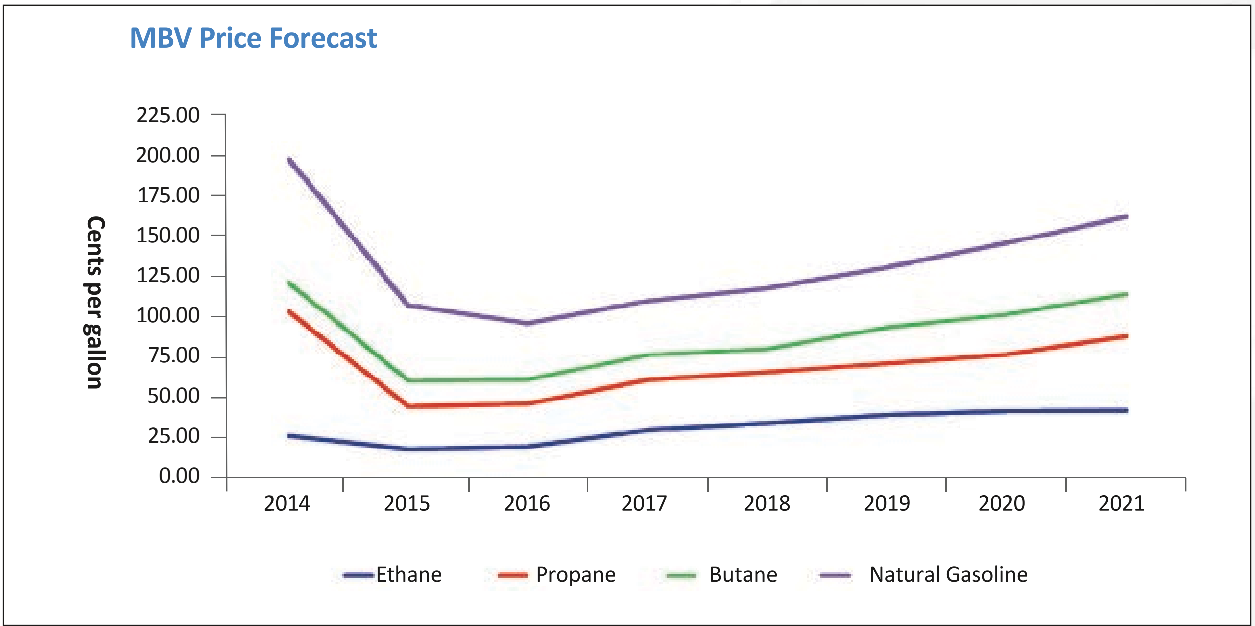

Fig A.ii.2: MBV price forecast through to 2021

In the second half of 2014 and continuing into 2016, Phoenix Park experienced a significant decline in NGL prices. This decline affected earnings in 2014, 2015 and 2016; which however showed signs of recovery in Q4 2016 and continuing into Q1 2017. The main driver for the decrease in NGL prices in the past three (3) years was due to an oversupply of crude oil produced by OPEC producing countries. This trend reversed in Q4 2016 with the OPEC agreement to cut back on production which has coincided with an increase in demand due to cooler weather in Europe and North America. The forecast for 2017 to 2020 is for a gradual upward trend in NGL prices.

Phoenix Park sells its products at a differential to the MBV price. While Phoenix Park has no ability to influence the commodity price, as indicated by the MBV price, Phoenix Park can, to a certain extent, influence the differential over or under the quoted MBV price. Together, Phoenix Park's MBV price plus the price differential represent the actual price that it charges to its customers. Since 2016, that price differential, representing the difference between the reference price (MBV) and the added price that customers are willing to pay to secure their product supply from Phoenix Park, has decreased due to the increased supply of NGL's from the North American shale producers. Consequently, the differentials at which Phoenix Park was able to renew term contracts, are lower than what was derived in the past.

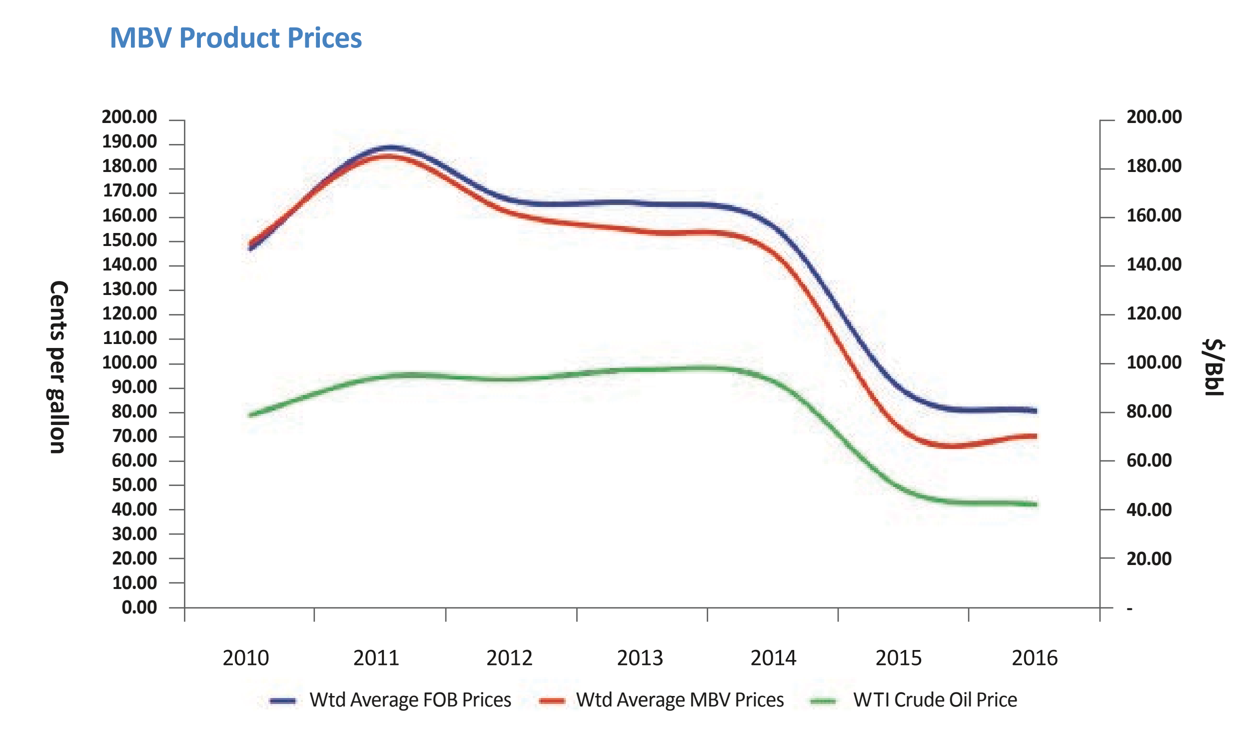

Fig A.ii.3: 7-year historical MBV product prices

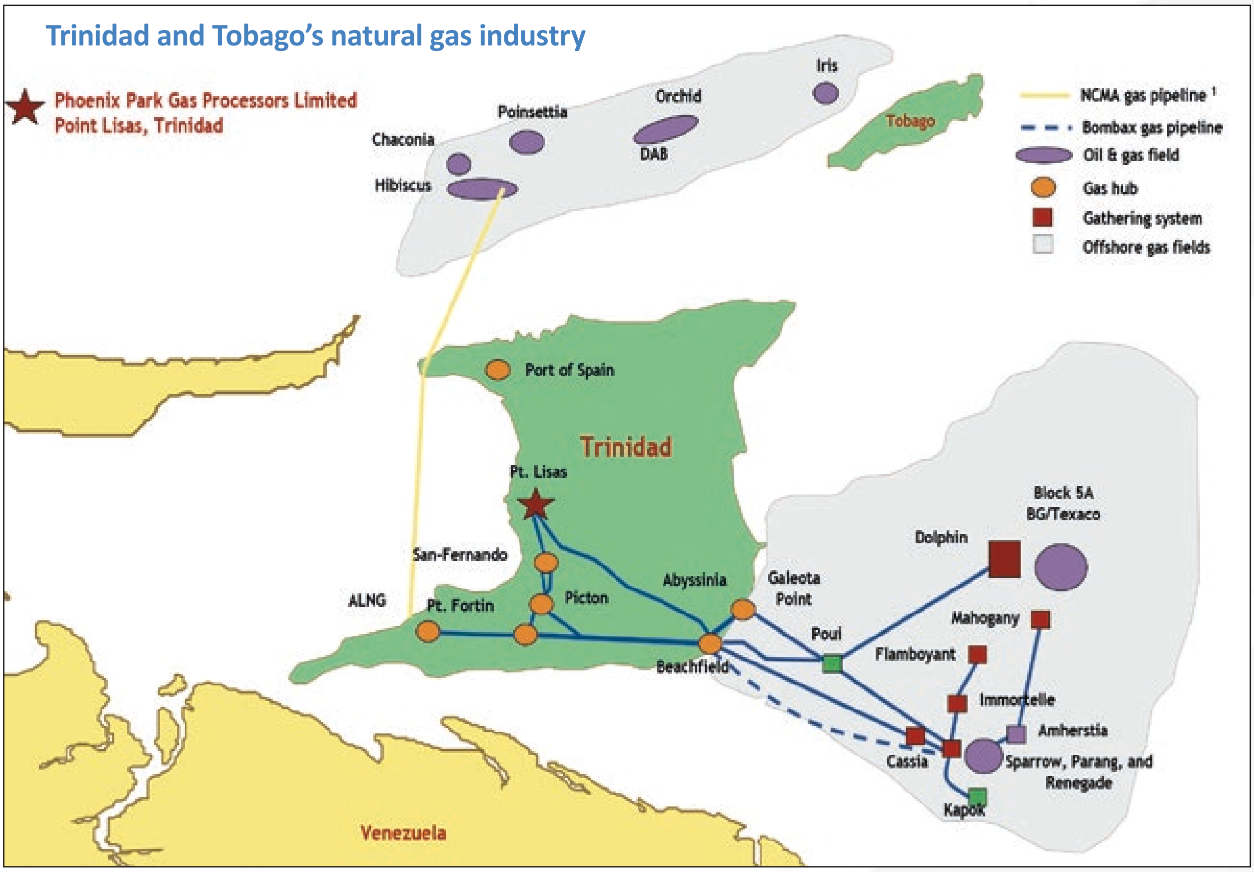

Fig A.ii.4: Map of Phoenix Park's location

Domestic Gas Supply

Trinidad and Tobago's gas supply comes from the extraction of off-shore reserves.

Trinidad and Tobago's Gas Reserves

Based on Ryder Scott's 2013 gas reserves certification, Trinidad and Tobago had proved, probable, and possible (3P) reserves of natural gas of approximately 23.88 tcf. In addition, the then Minister of Energy cited exploration resources of an additional 39.87 tcf, for a total basin potential of 63.75 tcf. The 2013 Ryder Scott results show a notably lower 40.0% replacement ratio. In May 2012, the Ministry of Energy signed deep water contracts with BG and BP to commence Trinidad and Tobago's thrust into deep water exploration. In June 2013, the Ministry of Energy signed four (4) new Production Sharing Contracts with BHP Billiton for the deep water Blocks TTDAA 5, TTDAA 6, TTDAA 28 and TTDAA 23B off the north and east coasts of Trinidad and Tobago. These blocks are located in water depths ranging from 600 to 1,500 meters. Also, in August 2013, a Deep Water Bid Round was opened for TTDAA1, TTDAA2, TTDAA3, TTDAA7, TTDAA30 and TTDAA31. This bid round was closed in March 2014.

Additionally, for the period January to October 2014 some sixty-nine (69) wells were drilled. Sixty-five (65) of these were development wells while four were exploration wells. In addition to drilling, seismic operations were also conducted by Niko Resources, Centrica Energy Resources, Petrotrin, Parex Resources and bpTT. In October 2012, Chevron and BG announced the development of the Starfish natural gas field off the east coast of Trinidad, which yielded first gas in December 2014 but the development campaign was not as successful as planned and will likely require a further infill program to develop the Starfish reserves. In Q2 2017, bpTT announced the start-up of the

Trinidad Regional Onshore Compression (TROC) project - one of seven major upstream projects bpTT expects to bring online in 2017. When fully onstream, the TROC facility has the potential to deliver approximately 200 mmscfd of gas per day. The facility is expected to improve production capacity by increasing production from low-pressure wells in bpTT's existing acreage in the Columbus Basin using an additional inlet compressor at the Point Fortin Atlantic LNG plant. Another major bpTT project expected to yield additional gas supply in Q3 2017 is the Juniper Project, which will take gas from the Corallita and Lantana fields located 50 miles off the south east coast of Trinidad in water-depth of approximately 360 feet.

Government policy has focused on improving the regulatory framework to enhance Trinidad and Tobago's attractiveness as an investment destination and encourage further investments in this sector, including the following tax incentives to encourage certain activities in the oil and gas sector:

- Harmonizing the SPT rates issued Pre-1988 and Post-1988 for marine areas by removing the distinction between the Pre-1988 and Post-1988 SPT rate for marine areas. One SPT rate will be allowed for marine areas as currently pertains for land and deep-water.
- Introducing a special SPT rate for new field development to enhance the economics of field development of small pools and increase the competitiveness of Trinidad and Tobago's fiscal regime. A special SPT rate of 25.0% is proposed for approved new field developments, at prices above US$ 50/Bbl and up to US$ 90/Bbl. Thereafter for prices above US$ 90/Bbl and up to US$ 200/Bbl, the SPT formula as currently exists will be applicable. This new SPT rate is intended to spur development of new fields, not yet in production.
- Introducing an uplift of 40.0%, for a period of five years, on exploration costs (excluding exploration dry holes) incurred in undertaking approved projects in deeper horizons.

Adjustments to the Capital Allowances structure for the upstream energy sector relating to exploration and development costs:

- *Exploration Costs* - For the period 2014 - 2017, 100% of the cost to be written off in the year the expenditure is incurred. Effective 2018, 50% in the first year, 30% in the second year and 20% in the third year.
- *Development Costs* - Accelerated allowances applicable for both tangible and intangible costs. From 2014, 50% in the first year, 30% in the second year and 20% in the third year.

This change to the regulatory framework supports the GORTT's program of inviting participation in competitive bid rounds for exploration of new blocks in an effort to increase Trinidad and Tobago's natural gas reserves. In April 2012, Trinidad and Tobago experienced its most successful bid round in its history for six (6) offshore deep-water blocks. Twelve (12) bids were received for the six (6) blocks on offer from existing Trinidad and Tobago upstream players including BG, Repsol, Centrica and BHP Billiton and new entrants such as Elenilto/Caspian Drilling, SOCAR, Kosmos Energy and Cairn Energy.

The monetization of cross border reserves with Venezuela has advanced in recent years. In 2013, Trinidad and Tobago and Venezuela signed an agreement that establishes the functional and governance structure to oversee the development of the Loran-Manatee natural gas fields. These fields are estimated to contain 10 tcf of natural gas reserves. Further, in 2017, a Heads of Agreement (HoA) was signed between NGC, Shell and Venezuela's state oil and gas company, Petroleos de Venezuela SA (PDVSA) and marked an historic chapter in the energy evolution of Trinidad and Tobago and Venezuela to access and monetise in Trinidad and Tobago 2.4 tcf of gas from the Dragon Field

Domestic Gas Supply (continued)

in Venezuela, utilising infrastructure owned by Shell and NGC. Dragon is part of the Mariscal Sucre complex, which holds 14.7 tcf of reserves and has the potential to transform both countries' economic and energy fortunes.

Domestic Gas Demand

The natural gas demand in Trinidad and Tobago, other than for LNG, is primarily driven by the industrial sector, which uses natural gas as a competitively priced and available feedstock or fuel. Within the industrial sector, the petrochemical sector is the primary consumer of natural gas. In 2016 approximately 70.9% of domestic demand was from petrochemicals, which locally produce ammonia, methanol, melamine and urea, 18.9% of the demand came from power generation, and 10.2% from other (primarily industrial) demand. Other industrial demand is represented by manufacturers of iron, steel, cement, crude oil refining, and other smaller consumers. Ammonia and urea are used primarily to make fertilizer. Methanol is used as a feedstock in the manufacture of many chemical products, including formaldehyde, adhesives, coatings, acetic acid, explosives, pesticides and other chemicals.

Domestic gas sales rose from 455 Mmcfd in 1990 to 913 Mmcfd in 2000, which reflects an average annual growth rate of 7.5%. Domestic demand has increased even more rapidly since 2000, with an average annual growth rate of 8.4% from 2000 to 2005, as several major industrial developments came on stream. Total domestic gas demand in 2007 was 1,595 Mmcfd. In 2008, the global economic downturn resulted in a decrease in demand to approximately 1,500 Mmcfd averaged over the year, as some plants were forced to cut back production in the last three months of the year. In 2009, demand recovered to around 1,600 Mmcfd and increased further to 1,684 Mmcfd in 2010. For 2011 to 2013, demand was 1,676 Mmcfd, 1,650 Mmcfd and 1,640 Mmcfd, respectively, while it was averaging at around 1,609 Mmcfd at the end of 2014. Between 2015 and Q1 2017 the country experienced shortages in supply of natural gas resulting in gas consumption falling to 1,390 Mmcfd by the end of Q1 2017.

The following graph, Fig A.ii.5, shows Trinidad and Tobago's demand for Natural Gas:

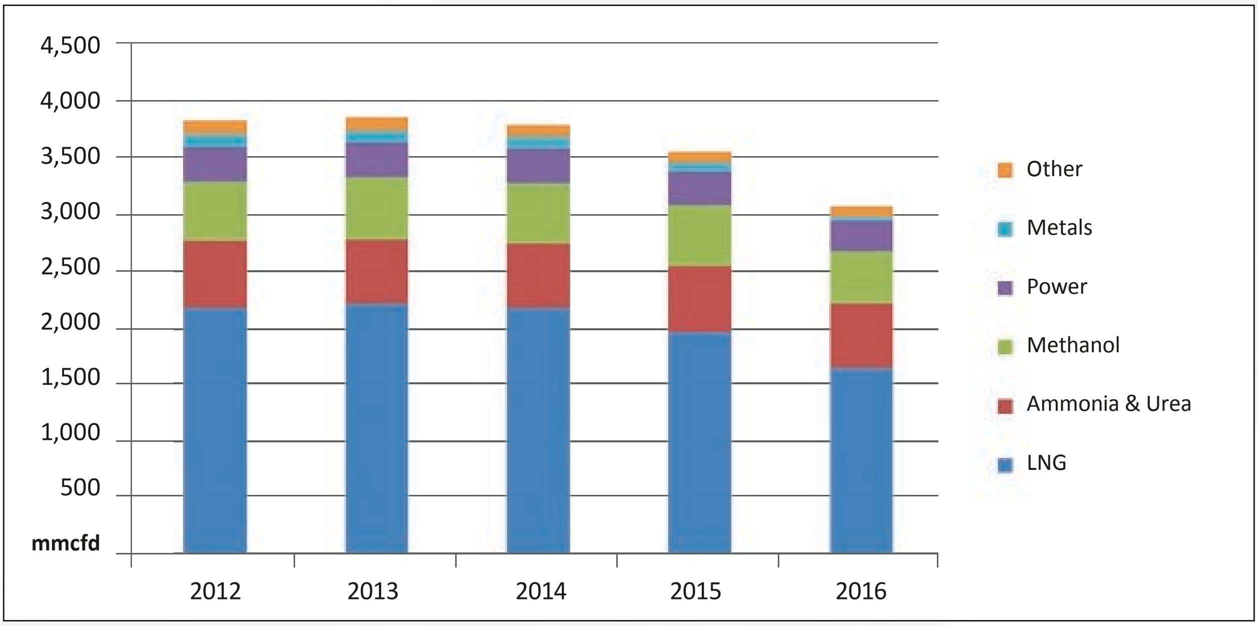

Fig A.ii.5: 5-year historical natural gas utilization

Growth in domestic demand for natural gas is expected to be derived from expansion of the country's petrochemical sector, and will largely track the growth of the domestic economy. This growth will be realized as new proposed methanol, ammonia, mono ethylene glycol and other petrochemical plants are developed and existing facilities increase production to meet recovering global demand. In 2016 construction commenced on the Caribbean Gas Chemicals Methanol and DME plant at La Brea. This plant is expected to be commissioned in Q2 2019. Trinidad's petrochemical sector supports global exports, and global GDP is expected to grow at approximately 3.8% per year from 2014 to 2018 according to the Economist Intelligence Unit forecast. An increase in natural gas prices is expected to benefit the Trinidad and Tobago economy, as natural gas is one of the country's major exports.

Domestic Downstream End-usage of Gas

Phoenix Park has a gas processing capacity of 1.95 bcfd and production of up to 70,000 BPD of natural gas liquids, and plays a key role in Trinidad and Tobago's domestic market through the processing of all the natural gas supplied to end-users.

The downstream end-users of gas in Trinidad and Tobago, other than ALNG for LNG production, are as follows:

- Seven (7) methanol plants, with a total capacity of 6.6 Mmtpa. The four (4) oldest plants are owned by Methanol Holdings (Trinidad) Limited. As at December 2016, two of these plants remained offline due to the expiration of the gas supply contract between NGC and Methanol Holdings. Of the more recent plants to have been constructed, the 1.7 Mmtpa Atlas Methanol plant was commissioned in June 2004. The plant is owned 67.0% by Methanex and 37.0% by bpTT and consumes about 160 Mmcfd of gas, all supplied by bpTT. In September 2005, a seventh methanol plant was brought on stream (M5000), operated by Methanol Holdings. M5000 is the largest single plant in the world with a capacity of 1.9 Mmtpa and a feedstock requirement of around 160 Mmcfd. At full throttle, the seven methanol plants combined use around 600 Mmcfd of gas.

- Eleven (11) ammonia plants with a capacity of 5.2 million metric tonnes. Together, the plants consume about 585 Mmcfd. Four (4) plants are owned by the Potash Corporation of Saskatchewan through the entity PCS Nitrogen, two (2) by Tringen. The other plants are owned by: Yara Trinidad Ltd., Point Lisas Nitrogen Limited, Caribbean Nitrogen Company, Nitrogen 2000, and AUM Ammonia. Average gas usage for ammonia production was 548 Mmcfd in 2014. Since 2015, due to the country's gas shortages, gas usage has fallen by as much as 15% up to and including 2016.

- Two (2) urea plants one owned by PCS Nitrogen and the other by AUM. The PCS plant has a capacity of 0.6 Mmtpa, and natural gas demand averages 10 Mmcfd.

- Four (4) iron and steel plants. Two (2) are owned by Arcelor Mittal Point Lisas Limited, with a capacity of 2.4 Mmtpa of direct reduced iron and requiring 82 Mmcfd. Both these plants were shut down in 2016. The third is an International Steel Group hot briquette iron plant that was originally owned by a joint venture of Cliffs & Associates, LTV Corporation and Lurgi Corporation but was shut down in September 2000. ISG re-opened it in November 2004, using 1 Mmcfd of gas. In addition, one 0.32 Mmtpa iron carbide plant owned by Nucor also shut down in 1999, with the loss of 8 Mmcfd of demand but was revamped and re-opened in December 2006, using approximately 30 Mmcfd of gas. Gas usage for iron and steel is around 113 Mmcfd when all plants are at capacity. Average iron and steel usage was 106 Mmcfd in 2014. Since 2015, due to the country's gas shortages, gas usage has fallen to 547 Mmcfd in 2016. Petrotrin's Pointe-a-Pierre refinery has a 175,000 BPD capacity.

Domestic Downstream End-usage of Gas (continued)

- A cement plant uses 12 Mmcfd of gas. Other small industrial users consume around 11 Mmcfd.
- Power generation consumed around 271 Mmcfd in 2016. Gas demand in the power sector is derived from Trinidad's five (5) gas fired generation plants. Two are owned by PowerGen: Point Lisas (Trinidad's biggest industrial complex, 838 MW) and Penal (236 MW). An additional plant in Point Lisas is owned by Trinity Power Limited (225 MW), and T&TEC owns the Cove Power Station in Tobago (64 MW). A 720 MW power plant was developed in Union Estate and is owned by Trinidad Generation Unlimited, a company wholly owned by GORTT.

LNG Production

Atlantic LNG is the sole producer of LNG in the country. ALNG currently operates four trains, the last of which started production in 2007. In 2016 the four ALNG trains consumed approximately 1.7 bcf/d of natural gas and produced approximately 25 Mmtpa of LNG. Future expansions to the ALNG facility will be heavily dependent on the world's demand for LNG as well as the availability of a competitively priced natural gas supply for this expansion.

ALNG exports cargoes to North America, Europe, Latin America, and Asia (particularly in recent years). In addition to LNG, ALNG produces significant volumes of NGLs as a by-product of the liquefaction process which are either sold to or delivered to Phoenix Park for fractionation and marketing under long-term agreements.

The following table shows domestic use of natural gas. In addition to domestic end-users, ALNG consumes natural gas for LNG export:

Domestic Natural Gas Utilization by Sector for 2006 – 2016 (mmcfd)

	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2006-16 CAGR**
Ammonia manufacture	526	530	512	556	612	584	569	546	548	555	547	0.5%
Methanol manufacture	564	556	524	568	561	557	521	543	532	539	456	-2.6%
Power generation	252	278	266	272	293	304	304	304	301	295	271	0.9%
Iron & steel manufacture	74	112	90	67	104	101	108	106	106	79	42	-6.8%
Refining	40	48	54	31	41	53	74	69	55	76	75	8.2%
Gas processing	35	35	32	32	39	36	29	28	26	27	24	-4.6%
Manufacture	12	12	11	11	18	23	24	21	18	20	19	5.9%
Cement manufacture	13	12	12	12	12	12	10	12	12	13	12	-1.0%
Small customers	12	12	12	13	10	11	11	11	10	9	8	-4.9%
Total	**1,528**	**1,595**	**1,513**	**1,562**	**1,690**	**1,681**	**1,650**	**1,640**	**1,608**	**1,613**	**1,454**	**-0.6%**

Phoenix Park Gas Processors Limited

Appendix IV

Shareholders

Shareholders – **Phoenix Park**

The following table shows the shareholding structure of Phoenix Park as of the date of this Prospectus.

Shareholder	No. of A Shares	No. of B Shares	% Ownership
NGC NGL	47,034,801	-	51.0%
TTNGL	-	35,967,789	39.0%
Pan West	-	9,222,510	10.0%
Total	47,034,801	45,190,299	100.0%

Phoenix Park is 51.0% effectively owned by NGC NGL, a subsidiary of NGC; 39.0% effectively owned by the Company and 10.0% effectively owned by Pan West.

NGC is a profitable state-owned enterprise with a critical role in the development of Trinidad and Tobago's natural gas-based energy sector. NGC is strategically positioned as the natural gas merchant in Trinidad and Tobago, with strong links both upstream and downstream, and has invested in the development of gas pipelines, port and industrial site infrastructure, and in other strategic sectors such as NGLs and LNG. NGC offers a uniquely competitive gas-pricing model which has supported a thriving gas-based energy sector in Trinidad and Tobago, and acts as the sole buyer, transporter, and distributor of gas to Point Lisas. NGC sells almost all of its natural gas to industrial customers located in Trinidad and Tobago. Those customers operate primarily in petrochemical, power generation, and heavy and light industrial sectors. NGC was established by GORTT in 1975 and is wholly-owned by GORTT. NGC is a commercial partner, supplying wet feedstock gas to Phoenix Park, and a major shareholder whose incentives are aligned with Phoenix Park's success.

NGC NGL is a holding company incorporated by NGC on 29 June 2000 for the purpose of holding a 51.0% Effective Ownership Interest in Phoenix Park. NGC NGL is owned by NGC (Effective Ownership Interest of 80.0%) and by NEL (Effective Ownership Interest of 20.0%).

NEL is an investment holding company incorporated on 27 August 1999 by GORTT in order to consolidate GORTT's shareholdings in select state enterprises. NEL is listed on the TTSE and it is also 66.0% effectively owned by GORTT and 17.0% effectively owned by NGC.

Pan West is a Trinidad and Tobago holding company that is owned by an investment consortium comprising NIBTT, NEL and UTC.

NIBTT began operations on 10 April 1972, and provides social insurance coverage to over 18,000 employers and 519,000 employees who contribute to the national insurance system, offering a wide range of benefits at an affordable rate. The NIBTT has a tripartite board of management:

labour, business, and the government and is responsible for the operation and administration of the country's National Insurance System with the mission to provide meaningful social security products and services to its customers.

UTC began its operations in 1982 with the mission to create and enhance customers' wealth by providing superior financial services in a cost-effective manner. It has approximately TT$ 20.6 billion in assets under management and is the largest mutual fund provider in Trinidad and Tobago. UTC manages funds that invest in debt and equity instruments in Trinidad and Tobago and internationally, on behalf of its approximately 596,000 unit holders.

As of the date of this Prospectus, NGC Controls the Board of Phoenix Park through its 51.0% Effective Ownership Interest in the Company together with its 80.0% ownership of NGC NGL and its 17.0% ownership of NEL.

Material attributes and characteristics of Phoenix Park's Class A Shares and Class B Shares

General

Phoenix Park's Class A Shares and Class B Shares are substantially subject to the same rights, privileges, restrictions and conditions, except for the right to appoint Phoenix Park's Directors as outlined below.

Right to appoint Phoenix Park's Directors

NGC NGL, as holder of the Class A Shares, is entitled to elect three Directors to Phoenix Park's Board of Directors.

The Company and Pan West, as holders of the Class B Shares, are entitled to elect three Directors to Phoenix Park's Board of Directors; whereby one Director shall be appointed by Pan West as long as Pan West holds at least 10.0% of the total shares issued of Phoenix Park.

Issuance of new shares

Phoenix Park is authorized to issue an unlimited number of ordinary "A" shares and ordinary "B" shares, according to its articles of continuance. The issuance of any new shares is subject to a resolution of Phoenix Park's Board of Directors supported by a 4/5 majority of Directors.

In accordance with section 38 (1) of the Companies Act, no shares of any class of shares may be issued unless the shares have first been offered to the existing shareholders of that class, and those shareholders are given the pre-emptive right to acquire the offered shares in proportion to their shareholdings of that class. In addition, Phoenix Park's articles of continuance include the condition that any newly issued shares shall be divided into ordinary "A" shares and ordinary "B" shares proportionately to the existing number of outstanding ordinary "A" shares and ordinary "B" shares.

Phoenix Park Gas Processors Limited

Appendix V

Directors and **Key Management**

Appendix V Directors and Key Management – **Phoenix Park**

BOARD OF DIRECTORS

The following table shows the names and affiliations of Phoenix Park's Directors as of the date of this Prospectus.

Name	Appointed by
Mr. Gerry C. Brooks – Chairman	NGC NGL
Mr. Sham Mahabir	NGC NGL
Mr. Mark Loquan	NGC NGL
Ms. Ingrid Lashley	Pan West
Mr. Kenneth Allum	TTNGL
Professor Andrew Jupiter	TTNGL

The credentials of Phoenix Park's Directors can be summarized as follows:

BOARD OF DIRECTORS – PHOENIX PARK

Mr. Gerry C. Brooks – Chairman

Mr. Gerry C. Brooks is the Chairman of the NGC Group of Companies. He retired as Group Chief Operating Officer of the regional conglomerate and publicly held Group, ANSA McAL, and resigned all directorships with ANSA McAL in May 2015.

Mr. Brooks is an Attorney-at-Law and has served as the Vice President of the Law Association of Trinidad and Tobago for the past four (4) years. A graduate of the Hugh Wooding Law School and the University of the West Indies, he was recently awarded the title of 'Distinguished Alumnus' of the University of the West Indies. Mr. Brooks is also a graduate of Columbia University where he obtained an MBA, Dean's Honour Roll. As a former Deputy Chairman of the Caribbean Court of Justice Trust Fund, he also chaired its Finance and Investment Committee for ten (10) years.

A regional thought leader, he is a former President of the Family Planning Association. He has been honoured by Rotary International, his Alumni, Queen's Royal College and other institutions in Trinidad and Tobago and abroad. He is also a member of the Standing Committee on Energy of the Cabinet of Trinidad and Tobago.

Mr. Kenneth Allum – Director

Mr. Kenneth Allum is a Chemical Engineer with 38 years' experience in the Petroleum and Petrochemical Industry at all levels. Among the various positions held throughout his career, he worked as a Senior Technologist from 1981 to 1987, and then as an Assistant to the Managing Director from 1987 to 1990 at Trinidad and Tobago Oil Company Limited (TRINTOC).

Most recently, Mr. Allum worked at Petrotrin, initially serving as the Vice President of Refining and Marketing (2008-2009) and, thereafter, as President (2009-2012). As President of Petrotrin, Mr. Allum was responsible for the company's strategic goals, working with all stakeholders to develop and implement the company's business objectives to maximize shareholder value. At the helm of the company, he was able to develop a highly motivated, business-oriented and customer-driven organization.

In the course of his service at the respective companies, Mr. Allum has had extensive technical and management training and has attended numerous international meetings and conferences. He was appointed as a Director on the Board of NGC in September 2015 and as a Director on the Board of PPGPL in October 2015.

Professor Andrew Jupiter – Director

Professor Andrew Jupiter received a BSc. in Natural Sciences and a Post-Graduate Diploma in Petroleum Engineering from the University of the West Indies (UWI) and also holds a Masters of Engineering Degree in Mineral Engineering Management from Pennsylvania State University.

Professor Jupiter served as Permanent Secretary, Ministry of Energy, from 1998 to 2004. Prior to this appointment, he held several senior positions at the Ministry, including Senior Petroleum Engineer, Director – Operations and Director – Energy Planning.

Starting as the Vice President of Business Development, Professor Jupiter first joined National Energy in 2004. He then served as President from 2009 to 2012.

In addition to these posts, Professor Jupiter held the position of Director on several state boards, and led the GORTT's team in its initiative to provide several African countries with technical guidance in the development of their respective petroleum sectors. He is currently attached to the Department of Chemical Engineering at UWI, is the holder of the Trinidad and Tobago Methanol Company (TTMC), Chair in Petroleum Engineering, and serves as an Energy Consultant. In September 2015, Professor Jupiter was appointed a Board Member of NGC and Chairman of Petrotrin.

Throughout his career, Mr. Jupiter was awarded by multiple associations, notably the Society of Petroleum Engineers (SPETT), and was conferred the honorary title of 'Distinguished Fellow' by UWI in 2013.

BOARD OF DIRECTORS – PHOENIX PARK (continued)

Mr. Sham Mahabir – Director

Mr. Sham Mahabir has a BSc. (Upper Second Class Honors) in Electrical and Computer Engineering and an MBA in Finance, both from the University of the West Indies. He has received training from various Institutions in the USA and UK. He became a member of the Board of Engineering of Trinidad and Tobago at the age of 28 and is a past member of the Code Committee of same. He is also a member of the Institute of Electrical and Electronic Engineers, an international affiliate of the International Electrical Testing Association.

Mr. Mahabir has been employed as an engineer with several companies. His career began at TYE Manufacturing Company Limited where he held several positions, including Shift Engineer, Design Engineer, Sales Engineer and Sales Manager. Mr. Mahabir also worked as a Project Engineer with United Electrics Limited (1997-2001), where his duties included the general management of major projects such as the design of electrical systems and management of personnel. From 2001 to 2002, he worked as a High Voltage Switchgear Engineer with TYE Manufacturing Company Limited, providing service and support of medium voltage switchgear lines and other major infrastructural projects.

Since those engagements, Mr. Mahabir has gone on to become the owner, Managing Director and Lead Engineer for Shamco Limited, a company which provides Electrical Engineering Services. Under his management, the company has executed a range of projects and services for such companies as Republic Bank, Powergen, Petrotrin, Trinidad Generation Unlimited (“TGU”), Yara Trinidad Ltd., and a number of government and retail organizations. He was appointed as a Director on the Board of NGC in September 2015 and as a Director on the Board of PPGPL in October 2015. Mr. Mahabir is also Chairman of the Audit Committee of the Board of PPGPL.

Mr. Mark Loquan - Director

On 1 September 2016, Mr. Mark Loquan assumed office as President of The National Gas Company of Trinidad and Tobago Limited (NGC) and on 16 September 2016 was also appointed a Member of the Board of Directors of PPGPL.

A Chemical Engineer by profession, Mr. Loquan acquired an MBA in 1990 from the Fuqua School of Business at Duke University, and received training in Executive Leadership and Management from Cornell University and IESE Business School (University of Navarra).

Mr. Loquan has over thirty (30) years’ experience in the petrochemical industry. In 1982, he began his career in the energy sector as a Process Engineer at Trinidad Nitrogen Co. Ltd. He moved through various leadership positions before being appointed as the first local President of Hydro Agri Trinidad (now Yara Trinidad Ltd.) in 2002. In 2009, he was appointed President, Upstream Business Development for Angola/Sub-Saharan Africa at Yara International. Mr. Loquan moved to Australia three years later, where he served as CEO of Yara Pilbara.

One of 50 Distinguished UWI Alumni Awardees, Mr. Loquan is a former Director of the Arthur Lok Jack Graduate School of Business and the Copyright Organization of Trinidad and Tobago (COTT), former Vice Chairman of the Point Lisas Energy Association (PLEA), and former Advisory Council Member for Arts, Letters, Culture and Public Affairs at the University of Trinidad and Tobago (UTT). A passionate pannist, he is also an Honorary Founding Director of the non-profit organization the Music Literacy Trust, and served as the Musical Director of the first resident steelband in Perth, Western Australia – Perth Pandemix.

Ms. Ingrid Lashley – Director

Ms. Ingrid Lashley is currently the Managing Director/Chief Executive Officer of the Trinidad and Tobago Mortgage Finance Company Limited (TTMF) and on 8 March 2017 was also appointed a Member of the Board of Directors of PPGPL. She has performed in the financial services sector for more than twenty (20) years. An accountant by profession with a Masters Degree in Business Administration from McGill University, Montreal, Canada, Ms. Lashley has held senior and executive management positions in an international commercial bank. Ms. Lashley joined the TTMF team in 2004. Under her leadership, the company has extended its product line, expanded its branch network and transformed its operating systems to allow for growth in assets in excess of 100%. Ms. Lashley has served on the boards of private, public and charitable organisations and was recently appointed as Chairperson of NEL.

KEY MANAGEMENT

The following table shows the names and positions of PPGPL's key management team as of the date of this Prospectus.

Name	Position
Mr. Dominic Rampersad	President
Mr. Ramesh Harrylal	VP Operations
Mr. Bal Boodram	VP Finance & Information Technology (Ag.)
Mr. Alvin Dookie	VP Business Development
Mr. Matik Nicholls	VP Marketing
Mrs. Charlene Beepath	VP Engineering
Ms. Joanne Salazar	VP Strategy & Corporate Services
Mrs. Lydia Lee Chong	Manager, Health, Safety, Security, Environment
Ms. Rehea Jaikaran	Manager, Human Resources

The credentials of PPGPL's key management team members can be summarized as follows:

Mr. Dominic Rampersad – President

Mr. Dominic Rampersad has over twenty-six (26) years' experience in financial accounting. At PPGPL, he has held various portfolios including Management Accountant, Financial Accountant and Business Development Project Leader. In his role as Business Development Project Leader, he was a key contributor to securing five expansion projects that resulted in the doubling of PPGPL's gas processing, fractionation and NGLs storage capacity. From November 2003 to November 2014, he performed the role of Vice President, Finance and Information Technology. He was responsible for the finance, information technology, project financing and corporate legal functions, and also performed the role of Corporate Secretary. From November 2014, he acted in the role of President and was appointed to the post in November 2016. Prior to joining PPGPL, he was the Financial Accountant at the National Institute of Higher Education, a government statutory board. He was a member of the Association of Chartered Certified Accountants and the Institute of Chartered Accountants of Trinidad and Tobago and holds a Masters of Business Administration from the Oxford Institute of International Finance. He currently serves on the boards of the Trinidad and Tobago Unit Trust Corporation and the American Chamber of Commerce.

KEY MANAGEMENT (continued)

Mr. Ramesh Harrylal – VP Operations

Mr. Ramesh Harrylal has more than twenty-five (25) years' experience in the oil and gas sector. He has been with PPGPL since 1991 and held various positions, including Senior I&E Engineer, Instrument & Electrical Superintendent, Maintenance Manager, Vice President Engineering (Ag.), and was assigned the position of Vice President Operations in July 2016. From 2001 to 2003, he was seconded to Conoco Inc. where he was assigned to several gas processing automation projects in West Texas and New Mexico, USA.

Mr. Harrylal has also participated in several plant expansion projects in various roles at PPGPL from conceptualization, front-end loading, FEED, engineering, procurement, construction, commissioning and start-up.

Mr. Harrylal is a UK-registered Chartered Engineer (CEng), REng and holds an MBA from Heriot-Watt University. Mr. Harrylal is also an active member of several professional engineering institutions including APETT, InstMC UK and ISA.

As Vice President Operations at PPGPL he is responsible for the facility's safe operations, maintenance; and the availability and reliability of all on-site and off-site operational assets.

Mr. Bal Boodram – VP Finance & Information Technology (Ag.)

Mr. Bal Boodram has over thirty (30) years' experience in financial accounting. His employment at PPGPL commenced in April 1991 and he has held the position of Accountant – Financial Operations since 1999 and Supervisor – Financial Accounting from 1998. In these roles he supervised accounting professionals in the pursuit of achieving strong corporate governance of the company. He also served on several committees including Chairman of the Management Tenders Committee and Chairman of the Pension Plan Committee. From November 2014 to present, he has been performing the role of Vice President, Finance and Information Technology. He is responsible for the finance, information technology, project financing and corporate legal functions. He is a member of the Association of Chartered Certified Accountants, the Institute of Chartered Accountants of Trinidad and Tobago and holds a Masters of Business Administration from the Oxford Brookes University.

Mr. Alvin Dookie – VP Business Development

Mr. Alvin Dookie has eighteen (18) years' experience in the business development field and holds a BSc. degree in Electrical and Computer Engineering and an MBA from the University of the West Indies. Prior to joining PPGPL, he spent four (4) years at the 3M Trinidad Subsidiary in the Electrical and Telecommunications Division and four (4) years as an Applications Engineer for Caterpillar Power Systems at the local Caterpillar dealer, Tracmac Engineering. Mr. Dookie joined PPGPL in 2004 as a Business Development Project Leader. He contributed significantly to the Phase 3 Expansion and Isobutane Projects, as well as an Ethane Extraction Study. In 2008, he participated in a 7-month training and development assignment at ConocoPhillips' Houston office where he worked in the Gas Activities Group in the Lower 48 Division. In February 2009, he was appointed to the position of Vice President, Business Development.

Mr. Matik Nicholls – VP Marketing

Mr. Matik Nicholls has fourteen (14) years of experience in sales and marketing. He holds a BSc. in Electrical & Computer Engineering from The University of the West Indies, and an MBA from Heriot-Watt University. He started his career with the Neal & Massy Group of Companies in the Graduate Training Program. He performed technical roles including Switchgear Production Engineer, Repair Shop Supervisor and Technical Specialist. In 1999, he made a shift when he took up a position as an IT solutions sales person at Digi-Data Systems Limited. He later moved to Lever Brothers West Indies Limited as a Business Improvement Manager, and by the end of his stay, he held the position of Merchandising and Promotions Manager in the Trade Marketing Department. He joined Phoenix Park Gas Processors Limited in June 2004 as a Marketing Officer in the Marketing Department, and in 2009 was promoted to the position of Vice President, Marketing.

Mrs. Charlene Beepath – VP Engineering

Mrs. Charlene Beepath has eighteen (18) years of experience in the field of engineering and operations. She joined PPGPL in February 2004 and prior to this, was employed in the petrochemical sector for seven years. While at PPGPL, she has held several portfolios, starting as Plant Engineer and then assigned as Project Manager to plant expansion, upgrades and modification projects. She holds a Bachelor's of Science Degree in Chemical and Process Engineering and a Master's of Science Degree in Production Management, both attained from The University of the West Indies. In the course of her career, she has developed skills and expertise in plant operations, plant engineering, project development and project management.

Ms. Joanne Salazar – VP Strategy & Corporate Services

Ms. Joanne Salazar joined PPGPL in February 2007. She has over twenty (20) years' executive managerial experience in finance, financial management, corporate strategy, and business systems design and improvement. Her previous position was General Manager, Planning & Development at South West Regional Health Authority, immediately preceded by being General Manager of the National Ambulance Service. Prior to relocating to Trinidad and Tobago from the United Kingdom, Ms. Salazar held various positions including the Director of Finance & Information (Hillingdon Health Authority) preceded by Director of Finance & Contracting (Stockport Health Authority), both board positions. Her responsibilities at PPGPL include corporate strategy development and implementation, organizational development & transformation, supply chain management, public relations and general administration. She holds an MBA (with distinction), an M.Sc. Strategic Planning, a BA (Hons), and a Diploma in Public Finance & Accountancy. Ms. Salazar has always been active outside the organization, currently (since 2012) she is the chair of the Energy Chamber's CSR Committee and, more recently, is the Energy Chamber's representative at the Caribbean Corporate Governance Institute.

Mrs. Lydia Lee Chong – Manager Health, Safety, Security and Environment

Mrs. Lydia Lee Chong has over sixteen (16) years' experience in process engineering. At PPGPL, she has held the portfolios of Senior Process Engineer, Project Manager and acting Vice President of Engineering. In her role as Senior Process Engineer, Project Manager and Technical Project Leader, she has demonstrated functional knowledge and application of Process Safety Management (PSM) and its governing systems and principles.

KEY MANAGEMENT (continued)

Mrs. Lydia Lee Chong – Manager Health, Safety, Security and Environment (continued)

She was Project Manager of the Isobutane Expansion project which resulted in the diversification of the company's NGL product slate in addition to increasing revenue generation for the company.

She also had a critical role as the technical project lead in the development and engineering stages of the Product Purification Project and Product Trading Projects.

She is a member of the Board of Engineering of Trinidad and Tobago (BOETT), the Association of Professional Engineers of Trinidad and Tobago (APETT), and American Institute of Chemical Engineers (AICHME). She holds a Masters of Business Administration degree in Sustainable Energy Management from Arthur Lok Jack Graduate School of Business, a Masters of Science degree in Project and Programme Management and a Bachelor of Science degree in Chemical and Process Engineering both from The University of the West Indies.

Ms. Rehea Jaikaran – Manager Human Resources

Ms. Rehea Jaikaran is currently the Human Resources Manager at PPGPL. Prior to this, she was the Senior HR Officer Team Lead, a position she held from 2010 to 2016. Rehea joined the organization in 2000 in the position of HR Officer. She has twenty (20) years of experience in the field of human resource management. In the course of her career, she has developed skills and expertise in the management and administration of the core human resource functions.

She attained her Bachelor of Science degree in Management Studies with honors from The University of the West Indies in 1994 and attained a Master of Business Administration degree from the Henley Business School – University of Reading in 2012.

Phoenix Park Gas Processors Limited

Appendix VI

Corporate Governance

Phoenix Park's Board of Directors currently has the following five standing committees:

- Audit Committee
- Tenders Committee
- Operations Committee
- Finance and Investment Committee
- Human Resources Committee

Audit Committee

The Audit Committee of Phoenix Park's Board will assist the Board to monitor the:

- Integrity of Phoenix Park's financial statements and public disclosures;
- Company's compliance with legal and regulatory requirements, and code of conduct;
- Performance and independence of Phoenix Park's internal and statutory/external auditors;
- Adequacy and quality of corporate governance, risk management and control processes;
- Company's corporate governance processes, business conduct, ethics and compliance; and
- Company's internal and external auditing, accounting and financial reporting processes generally.

The Audit Committee is authorized to engage independent counsel or other advisers as it deems necessary and appropriate. These advisers will report directly to the Audit Committee and the level of compensation for services received is to be established and agreed by the Audit Committee in accordance with Phoenix Park's procurement procedures. The internal auditors will be accountable to the Audit Committee and the internal auditor will report functionally to the Chairman of the Audit Committee retaining the administrative reporting to the President of Phoenix Park.

The Audit Committee is authorized and empowered to:

- Recommend the appointment, compensate, and oversee the work of the statutory auditors employed by Phoenix Park to conduct the annual audit. The firm will report directly to the Audit Committee;
- Recommend policy and charters concerning the audit function as provided by the management to the Board of Directors for approval;
- Resolve any disagreements between the management and the statutory auditors regarding financial statements;
- Pre-approve all auditing and permitted non-audit services performed by Phoenix Park's statutory auditors; and

- Delegate authority to the subcommittees, including the authority to pre-approve all auditing and permitted non-audit services, providing that such decisions are presented to the full committee at its next scheduled meeting.

The Audit Committee is authorized by the Board of Directors to conduct or authorize investigations into any matters within its terms of reference, charter and scope of responsibility. The Audit Committee is empowered to:

- Engage independent counsel, accountants or other advisers as it determines necessary to carry out its duties or assist in the conduct of investigations;

- Seek any information it requires from any employee or member within Phoenix Park and any company controlled or managed by Phoenix Park all of whom are directed to cooperate with the Audit Committee's requests or from external parties; and

- Meet with company Officers, statutory /external auditors, or outside counsel, as necessary.

The Audit Committee is authorized to convene meetings, as circumstances require but shall meet at least four (4) times a year.

Tenders Committee

The Tenders Committee's primary purpose is to:

- Review submitted tender evaluations and approve the award of contracts for projects where the value of goods and services exceeds US$ 3.0 million. Approval should be given only after review by the Tenders Committee. Approval of contracts less than US$ 3.0 million will be approved by the Management Tenders Committee.

Once the award is approved, the President of Phoenix Park will be provided with the authority to execute the contract and procure the said goods and services. Once the contract is awarded, appropriate reports on the contract status will be provided to the Board's Tenders Committee.

Operations Committee

The Operations Committee's primary duties and responsibilities are to:

- Review any new processing agreements or amendments or extensions to existing feedstock agreements and to recommend to the Board the general terms of such processing agreements.
- Review any natural gas liquids (NGLs) product sales agreements in excess of 150,000 barrels per month for a term of one (1) year or 75,000 barrels per month for a term of between one (1) and two (2) years and to recommend to the Board the general terms of such product sales agreements.
- Provide a Board level overview of the process plant operations and NGLs marketing.
- Review and recommend to the Board for approval Phoenix Park's operating and capital expenditure budget.
- Engage in discussions with the Board and Management of Phoenix Park in developing its growth strategy for Phoenix Park for the short, medium and long term; and review the strategy periodically prior to presentation to the Board with such reviews/revalidations occurring not more than twenty-four (24) months apart.

Operations Committee (continued)

- Develop in collaboration with the Board and Management of Phoenix Park the plans for implementing this growth strategy.
- Collaborate with other Board Committees to ensure timely pursuit of deliverables in respect of operations activities.
- Review operational practices to ensure relevance to changing circumstances.
- Prepare quarterly reports to the Board with respect to all its activities.

Finance and Investment Committee

The Finance and Investment Committee's primary duties and responsibilities are:

- Financial Planning
- Financial Reporting
- Financial Risk Management
- Financial Administration
- Financial Investments

Human Resources Committee

The primary roles and responsibilities of the Human Resources Committee are:

- To review, amend and make recommendations for improvements as necessary for consideration by the Board with regard to:
    - Policies and strategies that will enhance the management of the human resources of Phoenix Park;
    - Terms and Conditions of employment including rewards management, salaries and benefits;
    - The company's health, safety, security and environment performance and respective policies;
    - Training and development policies to provide for succession planning, maintaining and enhancing competency levels with business objectives, and employee development

- To take responsibility for the selection of and to make recommendations to the Board for appointment of the President, Vice Presidents, and the Head of Internal Audit.

- To review and to make recommendations to the Board to approve Phoenix Park's compensation and benefit policies (subject if necessary to shareholder ratification).

- To monitor and review for consideration of the Board, the corporate social responsibility, communications and reputation management policies, strategies and programs. These cover employee health and safety, reducing environmental pollution, community support initiatives, youth development programs and contributions, made to worthy events consistent with the company values.

- Determine and agree with the Board the framework or broad policy for the remuneration of the President of Phoenix Park.

Phoenix Park Gas Processors Limited

Appendix VII

Historical Financial Information

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(i) **Audited Financial Statements**

for the Year Ended 31 December 2016

PHOENIX PARK GAS PROCESSORS LIMITED

(i) **Audited Financial Statements** for the Year Ended 31 December 2016

Statement of **Management's Responsibilities**

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of Phoenix Park Gas Processors Limited (the "Company") as at the end of the financial year and the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

Dominic Rampersad
President

10 February 2017

Bal Boodram
VP Finance & Information Technology (Ag.)

10 February 2017

PHOENIX PARK GAS PROCESSORS LIMITED

Independent **Auditor's Report**

Deloitte.

Deloitte & Touche
54 Ariapita Avenue,
Woodbrook, Port of Spain,
Trinidad, West Indies.
Tel: + 1 868 628 1256
Fax: + 1 868 628 6566
Website: www.deloitte.com

Independent auditor's report

To the shareholders of Phoenix Park Gas Processors Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Phoenix Park Gas Processors Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRS').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent **Auditor's Report** (continued)

Deloitte.

Independent auditor's report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Derek Mohammed, (ICATT # 864)

Port of Spain
Trinidad

10 February 2017

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Financial Position**

AS AT 31 DECEMBER 2016

(Amounts expressed in thousands of United States Dollars)

	Notes	2016 $	2015 $
ASSETS			
Non-current asset			
Property, plant and equipment	5	278,717	299,111
Total non-current asset		278,717	299,111
Current assets			
Inventories - natural gas liquids		8,502	7,960
Inventories - spares		8,547	8,604
Other accounts receivable and prepayments		28,266	27,805
Accounts receivable - trade	6	40,083	26,407
Corporation tax - recoverable		4,276	5,795
Cash and cash equivalents	7	52,109	72,815
Total current assets		141,783	149,386
Total assets		**420,500**	**448,497**
EQUITY AND LIABILITIES			
Equity			
Stated capital	8	21,700	21,700
Retained earnings		216,500	218,195
Total equity		238,200	239,895
Non-current liabilities			
Borrowings	9	47,075	60,525
Deferred tax liability	10	77,677	80,775
Total non-current liabilities		124,752	141,300
Current liabilities			
Dividends payable		5,000	10,000
Accounts payable - trade	11	27,090	29,853
Other accounts payable and accruals		12,008	13,999
Borrowings	9	13,450	13,450
Total current liabilities		57,548	67,302
Total liabilities		182,300	208,602
Total equity and liabilities		**420,500**	**448,497**

The accompanying notes on pages 219 to 248 form an integral part of these financial statements.

On 10 February 2017, the Board of Directors of Phoenix Gas Processors Limited authorised these financial statements for issue.

Chairman: Mr. Gerry C. Brooks

Director: Mr. Sham Mahabir

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Profit or Loss and Other Comprehensive Income**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in thousands of United States Dollars)

	Notes	2016 $	2015 $
Revenue		300,902	383,810
Cost of sales		(174,077)	(238,321)
Gross profit		126,825	145,489
Operating expenses	12	(14,768)	(19,721)
Administrative expenses	12	(8,421)	(21,163)
Distribution costs	12	(3,182)	(2,741)
Project operating costs	12	-	(48)
Finance costs (net)	12	(1,317)	(11,367)
Profit before taxation		99,137	90,449
Taxation	13	(35,832)	(35,452)
Profit for the year after taxation		**63,305**	**54,997**
Other comprehensive income		**-**	**-**
Total comprehensive income		**63,305**	**54,997**

The accompanying notes on pages 219 to 248 form an integral part of these financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Changes in Equity**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in thousands of United States Dollars)

	Notes	Stated capital $	Retained earnings $	Total $
Year ended 31 December 2015				
Balance at beginning of year		21,700	284,898	306,598
Total comprehensive income		-	54,997	54,997
Dividends	17	-	(121,700)	(121,700)
Balance at end of year		**21,700**	**218,195**	**239,895**
Year ended 31 December 2016				
Balance at beginning of year		21,700	218,195	239,895
Total comprehensive income		-	63,305	63,305
Dividends	17	-	(65,000)	(65,000)
Balance at end of year		**21,700**	**216,500**	**238,200**

The accompanying notes on pages 219 to 248 form an integral part of these financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Cash Flows**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in thousands of United States Dollars)

	Notes	2016 $	2015 $
Cash flows from operating activities	14	103,786	140,367
Taxation paid		(37,438)	(37,966)
Interest received		150	169
Interest paid		(1,440)	(11,289)
Dividends paid		(70,000)	(121,700)
Net cash used in operating activities		(4,942)	(30,419)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,314)	(3,716)
Net cash used in investing activities		(2,314)	(3,716)
Cash flows from financing activities			
Repayment of borrowings		(13,450)	(2,127)
Decrease in debt reserve funds		-	18,608
Net cash (used in)/generated from financing activities		(13,450)	16,481
Decrease in cash and cash equivalents		(20,706)	(17,654)
Cash and cash equivalents at beginning of year		72,815	90,469
Cash and cash equivalents at end of year	7	**52,109**	**72,815**

The accompanying notes on pages 219 to 248 form an integral part of these financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

1. **Incorporation and principal activities**

The Company is incorporated in the Republic of Trinidad and Tobago. It is owned by NGC NGL Company Limited (51%), Trinidad and Tobago NGL Limited (39%) and, Pan West Engineers and Constructors LLC (10%), a consortium comprising of Unit Trust Corporation, National Insurance Board of Trinidad and Tobago and National Enterprises Limited.

The registered office of the Company is situated at Rio Grande Drive, Point Lisas. Its principal activity is natural gas processing, aggregation, fractionation and marketing of natural gas liquids.

2. **Application of new and revised International Financial Reporting Standards (IFRSs)**

2.1 **Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year**

In the current year, the Company has applied a number of amendments to IFRS and new Interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interest in Joint Operations***

  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

  A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

  The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The Directors of the Company have assessed that the application of these amendments to IFRS 11 will have a material impact on the financial statements.

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

  The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.1 **Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*** (continued)

  a) when the intangible asset is expensed as a measure of revenue; or

  b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

  The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

  The management of the Company believes that the depreciation methods are the most appropriate methods to reflect the consumption of economic benefits inherent in the respective assets and accordingly, management of the Company has assessed that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***

  The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

  Management of the Company has assessed that the application of these amendments to IAS 16 and IAS 41 will not have an impact on the financial statements as the Company is not engaged in agricultural activities.

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *(Investment Entities: Applying the Consolidation Exception)***

  Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

  a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

  b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.1 **Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *(Investment Entities: Applying the Consolidation Exception)*** (continued)

  c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

  d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

  The Directors of the Company have assessed that the application of these amendments will not have a significant impact on the consolidated financial statements.

- **Annual Improvements 2012 – 2014**

  The *Annual Improvements to IFRS 2012-2014* include a number of amendments to various IFRS, which are summarised below.

  IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

  IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

  IAS 19 — Clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

  IAS 34 — clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

  The Directors of the Company have assessed that the application of these amendments will not have a significant impact on the financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.1 **Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year** (continued)

- **Amendment to IAS 1: *Disclosure Initiative***

  Amendments were made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

  a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

  b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss and other comprehensive income; and

  c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

  The Directors of the Company have assessed that the application of these amendments will not have a significant impact on the financial statements.

- **Amendments to IAS 27: *Equity Method in Separate Financial Statements***

  Amendments were made to IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Consequently, an entity is permitted to account for these investments either:

  (i) at cost; or
  (ii) in accordance with IFRS 9 (or IAS 39); or
  (iii) using the equity method.

  This is an accounting policy choice for each category of investment.

  The Company presently accounts for initial investments at cost, subjected to any impairment gain/loss at subsequent reporting periods; therefore amendments to IAS 27 will have no impact on the Company's reporting.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 New and revised IFRS in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

• IFRS 9	Financial instruments (2)
• IFRS 15	Revenue from Contracts with Customers (2)
• IFRS 16	Leases (3)
• Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions (2)
• Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)
• Amendments to IAS 7	Disclosure initiative (1)
• Amendments to IAS 12	Recognition of Deferred Tax Assets Unrealized Losses (1)

1 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
4 Effective for annual periods beginning on or after a date to be determined.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of the IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 9 Financial Instruments (continued)

Key requirements of IFRS 9 (continued):

whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods.

- Debt instruments that are within a business model whose objective is achieved both by, collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset, give rise on specified dates to cash flows that are solely payments of principal, and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

- The new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 9 Financial Instruments (continued)

Classification and measurement

- Bills of exchange and debentures classified as held-to-maturity investments and loans carried at amortised cost as disclosed. These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;
- Listed redeemable notes classified as available-for-sale investments carried at fair value. These are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the notes in the open market, and the notes' contractual terms give rise to cash flows on specific dates that are solely payments of principal and interest on the principal outstanding. Accordingly, the listed redeemable notes will continue to be subsequently measured at FVTOCI upon the application of IFRS 9, and the fair value gains or losses accumulated in the investment revaluation reserve will continue to be subsequently reclassified to profit or loss when the listed redeemable notes are derecognised or reclassified;
- Unlisted shares classified as available-for-sale investments carried at fair value. These shares qualify for designation as measured at FVTOCI under IFRS 9; however, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss under IFRS, which is different from the current treatment. This will affect the amounts recognised in the Company's profit or loss and other comprehensive income but will not affect total comprehensive income;
- Redeemable cumulative preference shares issued by the Company designated as at FVTPL. These financial liabilities qualify for designation as measured at FVTPL under IFRS 9; however, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability will be recognised in other comprehensive income with the remaining fair value change recognised in profit or loss;
- All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

Impairment

Financial assets measured at amortized cost (see classification and measurement section), finance lease receivables, amounts due from customer under construction contracts, and financial guarantee contracts will be subject to the impairment provisions of IFRS 9.

The Company expects to apply the simplified approach to recognize lifetime expected credit losses for its trade receivables, finance lease receivables and amounts due from customer under construction contracts as required or permitted by IFRS 15. The Directors of the Company

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 9 Financial Instruments (continued)

Impairment (continued)

consider that they have low credit risk given their strong external credit rating and hence expect to recognize 12-month expected credit for the listed redeemable notes, bills of exchange and debentures. In relation to the loans to related parties and financial guarantee contracts, whether lifetime or 12-month expected credit losses should be recognized would depend on whether there has been a significant increase in credit risk of these items from initial recognition to the date of initial application of IFRS 9. The Directors are currently assessing the extent of this impact.

The management of the Company anticipates that the application of IFRS 9 in the future may not have a material impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company undertakes a detailed review.

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The management of the Company anticipates that the application of IFRS 15 in the future may not have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, the Company is yet to perform a detailed review of the future effects of IFRS 15.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Directors of the Company do not anticipate that the application of this standard will have a significant impact on the financial statements.

Amendments to IFRS 2 *Classification and measurement of the Share-Based Payment Transactions*

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payment.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employees tax obligation to meet the employees tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
   i. The original liability is recognized;
   ii. The equity-settled share-based payment is recognized at the modification date fair value of equity instrument granted to the extent that services have been rendered up to the modification date; and
   iii. Any difference between the carrying amount of the modification date and the amount recognized in equity should be recognized in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The Directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Company's financial statements as the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interest in that associate or joint venture. Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statement.

Amendments to IAS 7, *Disclosure Initiative*

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statements.

Amendments to IAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses*

Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

The carrying amount of an asset does not limit the estimation of probable future taxable profits.

Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

Amendments to IAS 12, *Recognition of Deferred Tax Assets for Unrealized Losses* (continued)

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statements.

3. **Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared under the historical cost convention. The financial statements are presented in thousands of United States dollars which is also the functional currency.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

a) **Currency transactions**

The functional currency of the Company's financial statements is the United States dollar because it is the currency of the primary economic environment in which the entity operates. Transactions denominated in currencies other than United States dollars are accounted for at the rates prevailing on the dates of the transactions.

b) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided using the straight-line method at the following rates which are designed to write off the cost of these assets over their expected useful lives:

Gas plant and other projects	-	period of Gas Processing Agreement
Computer equipment & software	-	25.0%
Furniture, fixtures & equipment	-	12.5%
Plant tools	-	12.5%

The expected life of the gas plant and other projects was re-assessed in 2009 upon renewal of the Gas Processing Agreement with The National Gas Company of Trinidad and Tobago Limited to coincide with the 20-year period of the Agreement. The carrying value of these assets as at that date is being depreciated at 5% per annum.

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

b) **Property, plant and equipment** (continued)

Fixed assets under construction represent the costs associated with ongoing capital projects. These costs remain in the work in progress account until the assets are put in service, at which time the costs relating to the assets are transferred into the respective fixed asset categories and depreciated from that date.

All repairs and maintenance costs are recognized in profit or loss as incurred.

Borrowing costs (net of interest income on investment of proceeds) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

c) **Inventories**

Inventories are measured at the lower of cost or net realizable value. Cost of natural gas liquids is determined using the first-in-first-out principle and includes a proportion of plant overheads. Cost of spares is determined using the weighted average cost basis.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

d) **Accounts receivable - trade**

Accounts receivable - trade are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

e) **Accounts payable - trade**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

f) **Borrowings**

Borrowings are initially recognized at the fair value of the consideration received less any directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortized costs using the effective interest rate method. Amortized cost is calculated by taking into account any directly attributable transaction costs.

g) **Taxation**

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, and the carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are assessed at the end of each reporting period and are recognized to the extent it has become probable that future taxable profit will allow the asset to be recovered.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

g) **Taxation** (continued)

Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

h) **Retirement benefit - defined contribution plan**

Effective 1 January 2003, the Membership of the pension plan converted the pension plan from a defined benefit plan to a defined contribution plan. A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay future amounts.

The plan covers all full time employees and is funded by payments from employees and the Company taking into account the recommendations of independent qualified actuaries. The Company's contributions to the defined contribution plan are charged to profit or loss in the period to which the contributions relate.

i) **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

j) **Accounting for leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss over the life of the lease.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

k) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in the fair value, and are used in the management of the Company's short-term commitments.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, but excluding any restricted debt reserve funds, net of outstanding bank overdrafts.

l) **Revenue recognition**

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Interest income

Interest income is recognised as it accrues.

m) **Dividends**

Dividends to shareholders are recorded in the period in which they are declared.

n) **Recognition and derecognition of financial assets and liabilities**

Recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value and include cash, trade and other receivables.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, or as loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value as in the case of loans and borrowings, plus directly attributable transaction costs. Financial liabilities include trade and other payables and loans and borrowings.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

n) **Recognition and derecognition of financial assets and liabilities** (continued)

Derecognition

Financial assets

A financial asset is derecognized where the rights to receive cash flows from the asset have expired or the Company has transferred the rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification would be treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts would be recognized in profit or loss.

o) **Impairment of financial assets**

At each reporting date the Company ascertains whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be estimated reliably.

p) **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

p) **Impairment of non-financial assets** (continued)

recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in profit or loss under those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case the carrying amount of the asset is increased to its recoverable amount, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

q) **Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments is provided in Note 9.

r) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

4. **Significant accounting estimates and judgements**

Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In the process of applying the Company's accounting policies, management has determined that there were no judgements which have a significant effect on the amounts recognized in the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Tax assessments

The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liability risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

5. Property, plant and equipment

	Gas plant & other projects	Furniture fixtures & equipment	Computer equipment & software	Plant tools	Fixed Assets under construction	Total
	$	$	$	$	$	$
Year ended 31 December 2016						
Opening net book value	288,521	595	1,347	683	7,965	299,111
Additions	-	4	280	-	2,030	2,314
Transfers	658	60	883	74	(1,675)	-
Depreciation charge	(21,198)	(117)	(1,170)	(223)	-	(22,708)
Closing net book value	267,981	542	1,340	534	8,320	278,717
At 31 December 2016						
Cost	635,227	2,352	14,777	5,443	8,320	666,119
Accumulated depreciation	(367,246)	(1,810)	(13,437)	(4,909)	-	(387,402)
Net book value	267,981	542	1,340	534	8,320	278,717
At 31 December 2015						
Cost	634,569	2,291	13,614	5,369	7,965	663,808
Accumulated depreciation	(346,048)	(1,696)	(12,267)	(4,686)	-	(364,697)
Net book value	**288,521**	**595**	**1,347**	**683**	**7,965**	**299,111**

6. Accounts receivable - trade

Trade receivables are non-interest bearing and are generally on 10-30 day terms.

As at 31 December the aging analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			30-60 days	60-90 days	> 120 days
	$	$	$	$	$
2016	**40,083**	**36,295**	**915**	**-**	**2,873**
2015	**26,407**	**26,303**	**56**	**25**	**23**

As at 31 December 2016, no trade receivables were impaired and provided for.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

7. Cash and cash equivalents

	2016	2015
	$	$
Cash at bank and on hand	**52,109**	**72,815**

Cash at bank earns interest at floating rates based on daily bank deposit rates.

8. Stated capital

Authorised

Unlimited number of ordinary "A" shares of no par value
Unlimited number of ordinary "B" shares of no par value

Issued and fully paid

	2016	2015
	$	$
47,034,801 "A" shares of no par value	11,067	11,067
45,190,299 "B" shares of no par value	10,633	10,633
	21,700	**21,700**

9. Borrowings

	2016	2015
	$	$
Current		
Long-term loan due March 2021	13,450	13,450
Non-current		
Long-term loan due March 2021	47,075	60,525
Total borrowings	**60,525**	**73,975**

Long-term loan due March 2021

The long-term loan maturing in March 2021 was disbursed on 26 March 2015, at a fixed interest rate of 2.04%. Semi-annual payments of principal and interest for the loan commenced in September 2015. The loan facility is unsecured and was used to repay the outstanding balances on the long-term senior bonds due April 2017 and April 2020 as well as finance the early repayment premium on the two facilities.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

9. **Borrowings** (continued)

Fair values

	Carrying amount 31 December		Fair value 31 December	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Borrowings				
Long-term loan due March 2021	**60,525**	**73,975**	**58,998**	**73,592**

The fair value of borrowings has been calculated by discounting the expected future cash flows at interest rates linked to United States Treasury rates at the end of the reporting period for 2015 and long-term loan interest rate for 2016.

The following table sets out the carrying amount, by maturity, of the Company's borrowings:

	2016	**2015**
	$	**$**
Within one year	13,450	13,450
Between one and two years	13,450	13,450
Between two and three years	13,450	13,450
Between three and four years	13,450	13,450
Between four and five years	6,725	13,450
Over five years	-	6,725
	60,525	**73,975**

10. **Deferred tax liability**

	2016	**2015**
	$	**$**
Accelerated tax depreciation	**77,677**	**80,775**

11. **Accounts payable - trade**

Trade payables are non-interest bearing and are normally settled on 30-day terms.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

12. Expenses

	2016	**2015**
	$	**$**
Depreciation	2,067	1,805
Wages and salaries (Note 15)	4,682	7,132
Repairs and maintenance	8,285	8,511
Insurance	1,967	2,793
Project operating costs (excluding wages and salaries)	-	48
Electricity	1,804	1,883
Dock and harbour/plant site lease	2,133	2,098
Exchange loss	339	368
Donation	-	10,000
Other	5,094	9,035
	26,371	**43,673**
Represented by:		
Operating expenses	14,768	19,721
Administrative expenses	8,421	21,163
Distribution costs	3,182	2,741
Project operating costs	-	48
	26,371	**43,673**
Finance costs (net):		
Interest expense	1,467	11,536
Interest income	(150)	(169)
	1,317	**11,367**

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

13. Taxation

This consists of the following:

	2016	2015
	$	$
Corporation tax - current	38,931	35,331
Deferred tax - current	(3,099)	121
	35,832	**35,452**
The Company's effective tax rate differs from the statutory tax rate as follows:		
Profit before taxation	99,137	90,449
Theoretical income taxes at 35%	34,698	31,657
Permanent difference	1,134	3,795
	35,832	**35,452**

14. Cash flows from operating activities

	2016	2015
	$	$
Profit before taxation	99,137	90,449
Adjustments to reconcile net profit with net cash from operating activities:		
Depreciation	22,708	21,886
Finance costs (net)	1,317	11,367
Operating profit before working capital changes	**123,162**	**123,702**
(Increase)/decrease in inventories - natural gas liquids	(542)	12,446
Decrease in inventories - spares	57	898
Increase in other accounts receivable and prepayments	(461)	(5,693)
(Increase)/decrease in accounts receivable - trade	(13,676)	13,356
Decrease in accounts payable - trade	(2,763)	(12,701)
(Decrease)/increase in other accounts payable and accruals	(1,991)	8,359
Cash flows generated from operating activities	**103,786**	**140,367**

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

15. Staff costs

	2016	2015
	$	$
Wages and salaries - Operating (Note 12)	4,682	7,132
Wages and salaries - Cost of sales	8,440	9,074
Pension cost	682	702

16. Related party transactions

The Company is controlled by NGC NGL Company Limited which owns 51% of the Company, NGC NGL Company Limited is owned 80% by The National Gas Company of Trinidad and Tobago Limited, which is 100% owned by the Government of the Republic of Trinidad and Tobago (GORTT). Other shareholders are Trinidad and Tobago NGL Limited (39%), a publicly traded company on the Trinidad and Tobago Stock Exchange, and an investment consortium comprising of the Trinidad and Tobago Unit Trust Corporation, the National Insurance Board of Trinidad and Tobago and National Enterprises Limited, which has acquired the remaining 10% formerly owned by Pan West Engineers & Constructors Inc.

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods and provision of services with the related entities as well as with entities directly and indirectly owned or controlled by GORTT.

The sales to and purchases from related parties are at arm’s length. Outstanding balances at the year-end are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Related party disclosures have only been made below for material transactions, which consist of purchases of feedstock (BTUs) from The National Gas Company of Trinidad and Tobago Limited.

	2016	2015
	$	$
Purchases	**46,132**	**54,892**

Included in the accounts payable - trade balance as at 31 December 2016 is $8,562 (2015: $8,564) for The National Gas Company of Trinidad and Tobago Limited. Receivable from Trinidad and Tobago NGL Limited as at 31 December 2016 is $210 (2015: Nil).

	2016	2015
	$	$
Key management compensation – short-term employee benefits	**1,018**	**1,107**

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Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

17. Dividends

	2016	2015
	$	$
Declared and paid during the year:		
Equity dividends on ordinary shares:		
$0.65 per share (2015:$1.21)	60,000	111,700
Declared but not paid during the year:		
Equity dividends on ordinary shares:		
$0.05 per share (2015:$0.11)	5,000	10,000
	65,000	**121,700**

18. Commitments and contingencies

18.1 Capital commitments

At 31 December 2016 contractual commitments in respect of plant expansion projects amounted to $Nil (2015: $Nil).

18.2 Operating lease commitments

The Company has entered into leases on land and motor vehicles. The leases on land have an average life of 30 years with renewal terms included in the contracts at the option of the Company. The leases on motor vehicles have an average life of four years with an option to renew. Future minimum payments under these leases are as follows:

	2016	2015
	$	$
Not later than one year	1,458	1,620
Later than one year and not later than five years	6,055	6,890
Later than five years	10,465	14,403
	17,978	**22,913**

Total lease rentals for the year amounted to $1,453 (2015: $1,434).

18.3 Sale commitments

The Company is committed to sell natural gas liquids to various companies under the terms of negotiated sales contracts. The contract periods vary from one to five years.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

18. **Commitments and contingencies** (continued)

18.4 Purchase commitments and contingency

The National Gas Company of Trinidad and Tobago Limited
The Company is committed to purchase feedstock (wet natural gas) from The National Gas Company of Trinidad and Tobago Limited (NGC) under a Gas Processing Agreement. The Agreement is for an initial period of 20 years and commenced in 2009.

Petroleum Company of Trinidad and Tobago Limited
The Company is committed to purchase feedstock (wet natural gas) from Petroleum Company of Trinidad and Tobago under a Gas Processing Agreement. The Agreement was for an initial period of ten (10) years and commenced in 1995. The Agreement is being renewed on a month-to-month basis.

Atlantic LNG Company of Trinidad and Tobago
The Company is committed to purchase natural gas liquids (NGLs) from Atlantic LNG Company of Trinidad and Tobago under an NGL Sales Agreement. The Agreement is for an initial period of 20 years and commenced in 1999.

Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited
The Company is committed to purchase natural gas liquids (NGLs) from Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited under a Train 2/3 NGL Sales Agreement. The Agreement is for an initial period of 20 years and commenced in 2002.

Atlantic LNG 4 Company of Trinidad and Tobago Unlimited
The Company is committed to receive, fractionate, store and re-deliver natural gas liquids (NGLs) from Atlantic LNG 4 Company of Trinidad and Tobago Unlimited under a Train 4 NGL Processing Agreement. The Agreement is for an initial period of 20 years and commenced in 2005.

18.5 Contingent Liabilities

(i) **Corporation taxes**

The Board of Inland Revenue (BIR) has issued additional assessments for years of income 1997, 1999 - 2010 in respect of claims for capital allowances and resultant additional taxes totaling TT$271.3M (US$40.2M).

The Company has raised objections to these assessments and these matters have been submitted to the Tax Appeal Board for its ruling. A trial date has not yet been determined and therefore it is not practical to determine the outcome of the ruling.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

18. **Commitments and contingencies** (continued)

18.5 **Contingent Liabilities** (continued)

(i) **Corporation taxes** (continued)

However, Management is of the view that the Company would be successful in these matters and as such no provision for the additional assessments and the related interest has been made in the financial statements.

In February 2011, the Board of Directors instructed the Company to take advantage of the then amnesty granted by the Minister of Finance for interest and penalties for the late payment of certain taxes by making a deposit with the BIR in the sum of TT$115.2M (US$18.0M) before 31 May 2011 (years assessed at that time 1997 – 2005). In March 2015, the Company took advantage of the amnesty granted by the Minister of Finance by making a deposit with the BIR in the sum of TT$ 10.07M (US$1.6M) before 31 March 2015 (years assessed 2006 -2009), on the basis that:

- The Company's legal position be preserved;
- Should the Company be successful in this matter then such sum would be off-set against future corporation tax liabilities;
- Should the Company be unsuccessful, then management would have avoided paying the consequential interest and penalties on the disputed sum.

This payment is currently classified as "other accounts receivable and prepayments" in the statement of financial position.

(ii) **Custom bonds**
Custom bonds totaling $55 (2015: $55).

19. **Financial risk management objectives and policies**

Financial Instruments carried on the statement of financial position include trade accounts receivable, cash and bank balances, short-term deposits, trade and other payables and borrowings. The main purpose of these financial instruments is to provide the financial resources required to sustain the Company's operations. The Company's financial risk-taking activities are governed by appropriate policies and procedures such that financial risks are identified, measured and managed in accordance with Company policies and risk appetite. The Company's senior management is supported by a risk committee that advises on enterprise risks and their impact on the business together with the appropriate risk mitigating strategies required in managing these risks to an acceptable level.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

19. **Financial risk management objectives and policies** (continued)

(a) **Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company and arises principally from credit exposures to customers relating to outstanding sales receivables.

In order to mitigate the risk of financial loss from defaults, the Company has pursued a policy to manage credit risk whereby specific customers are required to provide sufficient collateral in the form of a Standby Letter of Credit or a Parent Company Guarantee. The Company evaluates the concentration of risk with respect to trade receivables as low and as such no provision was made for doubtful debts.

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of financial investments, financial assets and projected cash flows from operations.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	$	$	$	$	$	$
Year ended 31 December 2016						
Borrowings	-	5,621	5,570	42,702	5,105	58,998
Dividends payable	-	5,000	-	-	-	5,000
Accounts payable - trade	-	27,090	-	-	-	27,090
Other accounts payable and accruals	-	12,008	-	-	-	12,008
	-	**49,719**	**5,570**	**42,702**	**5,105**	**103,096**

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

19. **Financial risk management objectives and policies** (continued)

(b) **Liquidity risk** (continued)

	On demand	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	$	$	$	$	$	$
Year ended 31 December 2015						
Borrowings	-	7,012	6,947	53,264	6,369	73,592
Dividends payable	-	10,000	-	-	-	10,000
Accounts payable - trade	-	29,853	-	-	-	29,853
Other accounts payable and accruals	-	13,999	-	-	-	13,999
	-	**60,864**	**6,947**	**53,264**	**6,369**	**127,444**

(c) **Market risk**

Market risk is the risk or uncertainty from possible market price movements and their impact on the future performance of the business. The market/feedstock price movements that the Company is exposed to, include commodity prices for natural gas and natural gas liquids that could adversely affect the value of the Company's financial assets, liabilities and future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the Company's return on its assets.

(d) **Off balance sheet risk**

There are no off balance sheet items at 31 December 2016 (2015: $Nil).

(e) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency). The Company's exposure to foreign currency changes is not material.

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Notes to the **Financial Statements**

FOR THE YEAR ENDED 31 DECEMBER 2016

(Amounts expressed in Thousands of United States Dollars)

19. **Financial risk management objectives and policies** (continued)

(f) **Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company monitors capital using the gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio at an acceptable level as approved by the Board of Directors when raising new debt. No changes were made in the objectives, policies or processes during the year ended 31 December 2016.

	2016	2015
	$	$
Interest-bearing loans and borrowings	60,525	73,975
Trade and other payables	44,098	53,852
Less cash and short-term deposits	(52,109)	(72,815)
Net debt	52,514	55,012
Stated capital	21,700	21,700
Retained earnings	216,500	218,195
Total capital	238,200	239,895
Capital and net debt	**290,714**	**294,907**
Gearing ratio	**18.1%**	**18.7%**

20. **Financial Instruments**

Fair values

At 31 December 2016, the carrying amounts of cash, receivables, and payables approximate their fair values due to the short-term maturities of these assets and liabilities. Fair values of long-term borrowings have been disclosed under Note 9.

21. **Events after the reporting date**

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.

(ii) Management Discussion and Analysis

for the Year Ended 31 December 2016

(ii) **Management Discussion and Analysis** for the Year Ended 31 December 2016

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

This Management Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying comparative audited financial statements for the year ended 31 December 2016 and 31 December 2015. Some of the information contained in this discussion and analysis contains forward-looking statements that involve risk and uncertainties. See ''Forward-Looking Statements'' and ''Risk Factors Associated with Phoenix Park'' for a discussion of the uncertainties, risks and assumptions associated with these statements. Our actual results may differ materially from those discussions in the forward-looking statements as a result of various factors, including those described in ''Risk Factors Associated with Phoenix Park'' and elsewhere in this Prospectus. Unless otherwise stated, the following discussion is presented in US dollars ("US$"). This MD&A was prepared as of 10 February 2017.

Notice regarding Forward-Looking Information

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable Securities Legislation, including statements with respect to management's beliefs, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on our estimates and assumptions that are subject to risks and uncertainties which could cause our actual results to differ materially from the forward-looking statements contained in this MD&A. Those risks and uncertainties include, among other things, risks associated with the lack of historical operating information, variability of dividends, changes in regulation or legislation, operating risks, environmental matters and the general economic environment. We caution that the foregoing list is not exhaustive, as other factors could adversely affect our results, performance or achievements. The reader is cautioned against undue reliance on any forward looking statements. Although the forward looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

PHOENIX PARK GAS PROCESSORS LIMITED

OVERVIEW

Phoenix Park showed improved operating and financial performance for 2016 when compared to 2015. The company generated an operating profit of US$ 63.3 million for 2016. This represents an increase of 15% or US $8.3 million when compared to 2015. The Gross Margin and EBITDA Margin for 2016 was 42.1% and 40.9%, respectively, as compared to 2015 of 37.9% and 32.2%, respectively. For 2016, Phoenix Park distributed a gross dividend of US$ 70 million to its shareholders. This is US$ 51.7 million lower than gross dividend distributed 2015.

Phoenix Park's tangible asset backing decreased marginally from approximately US$ 299 million as at 31 December 2015 to US$ 278 million as at 2016. This decrease was due primarily to the accounting treatment for depreciation of PPGPL's assets over its respective economic life as well as a net increase in debt over the period.

Over the same period, its debt-to-equity ratio decreased marginally from 0.87 as at 31 December 2015 to 0.76 as at 31 December 2016 as the Company decreased its outstanding borrowings.

A detailed discussion of the major underlying performance drivers by year is provided in the following sections.

Significant Revenue Streams

We analyze our business through its main revenue streams: from the sale of NGLs and third party NGL processing services.

Revenue from gas processing

Processing revenue is derived from extracting BTUs from natural gas suppliers' wet natural gas in the form of NGLs, fractionating the NGLs into the component products, retaining and marketing these products. Residue gas is returned to the natural gas suppliers, who are compensated for the extracted BTUs.

Revenue from sales of ALNG volumes

ALNG Revenue is generated from fractionating NGLs purchased from ALNG and ALNG 2/3 and marketing these products. Phoenix Park earns the difference between the price it pays ALNG and ALNG 2/3 for NGLs and the weighted average price it receives for selling the products.

Third Party Processing/Capacity Fees

Third Party Revenue is derived from two sources. Under an arrangement with ALNG 4, Phoenix Park earns a processing fee for fractionating the NGLs stream from ALNG 4 into products and delivering such products back to ALNG 4 at Phoenix Park's port. Under an agreement with Petrotrin, Phoenix Park receives a fee for maintaining the capacity to fractionate its mixed butane stream to produce isobutane and for delivering such isobutane to Petrotrin. The revenue stream from both of these sources is fixed.

PHOENIX PARK GAS PROCESSORS LIMITED

OVERVIEW (continued)

Significant Revenue under Contract

Revenue generated from term contracts with our customers accounted for 94.8% of total revenue in 2016. The remaining share of revenue was based on spot sales. For 2015 97.8% of total revenue was generated from our customers under term contracts. Term customer contracts typically include a minimum supply volume requirement that customers must adhere to. There were eight (8) to ten (10) customer contracts in place for each period.

Factors Affecting Our Performance

Key Revenue Drivers

Our revenue generation is mainly driven by Phoenix Park's processing capacity and its availability; the volume of gas inlets supplied and their NGLs content; as well as the FOB selling price, which is an aggregate of the respective MBV reference price and the price differential.

Volume Impact from Capacity Enhancement: Phoenix Park experienced no increase in processing capacity for 2015 and 2016.

Volume Impact from Lower Input Quality: NGLs output volumes have been negatively impacted by the reduction in NGLs content in the supplied inlet gas, which has decreased by approximately 2.0% between 2015 and 2016, resulting in lower NGL production from gas processing. The decline relates to the lower NGL content in the newly tapped gas wells by the upstream suppliers. The Company has been in discussions with NGC to further understand and address the issue.

Volume Impact from Declining Gas Supply: In 2016 the volume supplied was 1,320 Mmcfd, a decrease of 13% or 191 Mmcfd when compared to 2015. This was due to the decreased supply by the gas producers to NGC.

Market Price Trends: NGLs prices are primarily driven by crude oil prices, seasonality, North American NGL inventory levels and the prices of alternative fuels. However, the close correlation between NGLs prices and crude oil prices has reduced in recent years due to the increasing production of NGLs derived from shale gas production in addition to the effect of current climate changes.

Price Differential: Phoenix Park's FOB price is also impacted by the price differential, which represents the difference between the MBV reference price and the price that customers are willing to pay to secure their product supply from Phoenix Park. This weighted average price differential has increased from 14.92 cpg 2015 to 15.53 cpg 2016 a 4% increase. This was as a result of the company being able to capitalize on favorable pricing conditions and opportunities and enter into improved short-term differential contracts with its LPG customers.

Key Cost Drivers

Economies of Scale in Cost of Sales: Feedstock costs represent over 85.0% of total cost of sales. Phoenix Park receives feedstock volume from four sources under long-term feedstock agreements, which are structured in such a way that the gross profit margin is partially insulated from changes in commodity prices. Feedstock costs increase in line with higher volumes pursuant to a pricing formula that is based

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on staggered structure and directly reflect changes in NGLs prices as well as, to a lesser extent, an adjustment for US inflation. The latter only impacts the price paid to NGC.

Age and Condition of Facilities: Maintenance costs represent 26% of total operating expenses. Maintenance typically increases as production and storage facilities age.

2016 versus 2015 Performance Summary

The following table presents selected comparative financial information in United States dollars:

	2016	2015
	'000	**'000**
Revenue:		
Revenue from gas processing	163,420	186,825
Revenue from sales of ALNG volumes	117,500	117,170
Third-party processing/capacity fees	19,982	19,815
	300,902	383,810
Cost of Sales	174,077	238,321
Gross Profit	**126,825**	**145,489**
Expenses:		
Operating expenses	14,768	19,721
Administrative expenses	8,421	21,163
Distribution costs	3,182	2,741
Project operating costs	-	48
Finance Costs (net)	1,317	11,367
Total expenses	27,688	55,040
Net Profit	**63,305**	**54,997**
Gross Profit Margin	*42.1%*	*37.9%*
Net Profit per share	0.69	0.6
Cash flow from operations (excluding dividends)	65,058	91,281
Cash flow from investing	(2,314)	(3,716)
Cash flow from financing	(13,450)	16,481
	49,294	104,046
Cash dividends paid	70,000	121,700

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2016 versus 2015 Performance Summary (continued)

The following table presents selected comparative performance metric information:

	2016	2015
Input Volume:		
Gas Inlet Volume (in mmcfd)	1,320	1,511
GPM	0.410	0.417
Output Volume:		
Gas Processing Production (BPD)	12,972	14,974
ALNG Production (BPD)	12,205	15,139
Total Production Output (BPD)	25,177	30,113
Mont Belvieu Product Price (cpg):		
Propane	48.57	45.51
Butane	64.15	60.34
Natural Gasoline	92.21	88.04
Weighted Average FOB Prices	70.86	72.83
Weighted Average Price Differential[1]	15.53	14.92

[1:] Price differential represents the difference between the reference price (MBV) and the FOB price Phoenix Park charges its customers for its products.

FY 2016 versus FY 2015

Revenue

Revenue for 2016 totaled US$ 300.9 million which was lower than the prior year comparable by US$ 82.9 million due primarily to lower product prices. The decline in product prices of 2% was due to a decrease in average MBV selling prices caused by lower crude oil prices, excess NGLs supply from shale resources and high inventory level in the North American market. This decline was partially off-set by an increase in average price differential of 4% from renewed customer contracts at higher prices. Total NGLs production decreased by 16% moving from 30,113 BPD in 2015 to 25,177 BPD in 2016. This was mainly caused by lower inlet gas volumes of 191 Mmcfd, marginally lower NGLs content (2%) in the gas stream received from NGC and a 19% decrease in NGL volumes received from ALNG.

Cost of sales

Cost of sales was lower by US$ 64.2 million as a result of lower product prices and lower production from gas processing and delivered volumes from ALNG. This decrease was off-set by draw down on NGLs inventory in order to meet contractual obligations to product customers.

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Operating expenses

Operating expenses of US$14.8 million decreased by US$ 5.0 million in 2016 from 2015. This was mainly due to lower employee costs, cost management strategies which resulted in overall savings and deferral of some work plan activities to 2017.

Administrative expenses

Administrative expenses were lower by US$12.7 million due primarily to the Oncology Donation that was made in 2015 of US$10 million in addition to the results from the various cost management strategies being employed.

Liquidity

Phoenix Park plans and manages liquidity requirements using a financial modeling tool. The company performs regular stress testing on its liquidity position, considering projected operating cash flows, as well as the maturity of financial investments and due date of financial obligations. For years ended 31 December 2015 and 2016, Phoenix Park has not experienced any liquidity shortages, has met all of its financial obligations on time and maintained a healthy dividend distribution to its shareholders.

Phoenix Park's financial risk-taking activities are governed by policies and procedures such that financial risks are identified, measured and managed in accordance with company policies and risk appetite. Senior management is supported by the risk committee that advises on enterprise risks and their impact on its business. Together, they develop and implement strategies in response to any identified risks in order to mitigate their impact.

Cash flow from operations (excluding dividends)

The decrease from US$ 91.3 million in 2015 to US$ 65.1 million in 2016 reflects a decrease in net profit before taxation driven by lower revenue, off-set by lower cash outflow for working capital purposes of US$ 36.0 million and a decrease in taxes paid of US$ 0.5 million.

Cash flow from investing

The decrease from US$ 3.7 million in 2015 to US$ 2.3 million in 2016 was mainly driven by decreased expenditure due to the delay in the commencement of the Product Trading project to 2017. This project will seek to maximize the value of PPGPL's installed storage and dock assets through the installation of equipment that facilitates the importation of NGLs into PPGPL. These NGLs will be purchased from regional suppliers, stored in PPGPL's storage tanks and re-exported into PPGPL's markets in the region. The estimated installed cost is U$6.1 million.

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FY 2016 versus FY 2015 (continued)

Cash flow from financing

The decrease in borrowings of US$ 13.5 million in 2016 from a reduction of US$ 2.1 million in 2015 represents the net impact of additional funding for the make whole amount that formed part of the debt package for the refinancing of Phoenix Park's long-term senior secured notes repaid on 26 March 2015.

Outstanding Long Term Debt Balances

As of 31 December 2016, Phoenix Park had outstanding long-term debt of US$ 60.5 million. This long-term loan maturing in March 2021 was disbursed on 26 March 2015 at a fixed interest rate of 2.04%. Semi-annual payments of principal and interest for the loan commenced in September 2015. The loan facility is unsecured and has limited financial covenants, e.g. with respect to debt service coverage. The debt was used to repay the outstanding balances on the long-term senior bonds due April 2017 and April 2020 as well as finance the early repayment premium on the two facilities.

The two refinanced facilities were issued to finance capital projects in 2006 and 2007:

- Long-term senior bonds due April 2017 at a fixed interest rate of 5.28%;
- Long-term senior bonds due April 2020 at a fixed interest rate of 5.76%.

Capital Resources

The primary objective of Phoenix Park's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The following table presents the capital resources of the company:

	2016	**2015**
Interest-bearing loans and borrowings	60,525	73,975
Trade and other payables	44,098	53,852
Less cash and short-term deposits	(52,109)	(72,815)
Net debt	**52,514**	**55,012**
Stated capital	21,700	21,700
Retained earnings	216,500	218,195
Total capital	**238,200**	**239,895**
Capital and net debt	**290,714**	**294,907**
Gearing Ratio	*18.1%*	*18.7%*

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The gearing ratio used for capital management purposes is defined as net debt divided by total capital plus net debt. Phoenix Park's gearing ratio decreased from 18.7% 31 December 2015 to 18.1% as at 31 December 2016. This was primarily due to a decrease in payables of US$ 9.8 million over the periods in addition to US$ 20.7 million decline in cash and short-term deposits and US$ 1.7 million decrease in retained earnings over the same timeframe.

Discharge of Pledge of shares

Following the early repayment of Phoenix Park's long-term senior bonds, the Class B Shares in Phoenix Park that represent a 39.0% Effective Ownership Interest in Phoenix Park are no longer pledged by TTNGL as collateral security in favor of the lenders of Phoenix Park's outstanding bonds.

The new long-term loan facility is unsecured and all Security Interests were discharged on the prepayment date.

Contingent Liabilities

Between October 2003 and December 2014, the BIR has issued additional assessments for years of income 1997 and 1999-2010 in respect of claims for capital allowances and resultant additional taxes totaling TT$ 271.3 million (US$ 40.2 million). Phoenix Park has appealed these assessments to the Tax Appeal Board and management believes that the company would be successful in these matters and as such no provision for the additional assessments and the related interest has been made in the financial statements. However, in February 2011 and March 2015, Phoenix Park took advantage of the amnesties granted by the Minister of Finance for interest and penalties for the late payment of certain taxes by making a deposit with the BIR in the amount of TT$ 115.2 million (US$ 18.0 million) for years assessed at that time 1997 – 2005 and TT$ 10.1 million (US$ 1.6 million) for the period 2006 – 2009 on the premise that these payments would be offset against future taxes if PPGPL is successful in its appeal. The appeal process is ongoing and a trial date has not yet been determined.

Transactions between Related Parties

The following table shows Phoenix Park's transactions and balances with related parties:

	2016	**2015**
Purchases from NGC	46,132	54,892

Material related party transactions only consist of purchases of feedstock (BTUs) from NGC. These purchases take place at arm's length. Outstanding balances at each reporting period are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

FY 2016 versus FY 2015 (continued)

Critical Accounting Estimates

Phoenix Park's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements

In the process of applying the company's accounting policies, management has determined that there were no judgements which have a significant effect on the amounts recognized in the financial statements.

Estimation Uncertainty

Tax assessments: The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the income tax and deferred tax provisions in the period in which such determinations are made.

Fair Value of Financial Instruments: Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liability risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Change in Accounting Policies, Including Initial Adoption

The following accounting standards, amendments and interpretations are effective for annual periods beginning on or after 1 January 2015.

- IFRS 9 Financial Instrument replaces the existing IAS 39 and is not expected to become effective for accounting periods beginning any earlier than January 1, 2018 and it could change the classification and measurement of financial assets and liabilities.
- IFRS 13, Fair Value Measurement is amended to clarify that issuing of the standard and consequential amendments to IAS 39, and IFRS 9, did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.
- IFRS 15, Revenue from Contracts with Customers, replaces IAS 18 Revenue Recognition and is not expected to become effective for accounting periods beginning any earlier than January 1, 2017. The new standard applies to contracts with customers.

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Financial Instruments and Other Instruments

Financial instruments carried on the statement of financial position include cash and bank balances, short-term deposits, investments and borrowings. The main purpose of these financial instruments is to provide the financial resources required to sustain the company's operations. The company's financial risk-taking activities are governed by appropriate policies and procedures such that financial risks are identified, measured and managed in accordance with company policies and risk appetite. The company's senior management is supported by a risk committee that advises on enterprise risks and their impact on the business together with the appropriate risk mitigating strategies required in managing these risks to an acceptable level.

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liability risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

At the end of any fiscal period, the carrying amounts of cash, receivables, and payables approximate their fair values due to the short-term maturities of these assets and liabilities. Fair values of long-term borrowings are calculated by discounting the expected future cash flows at interest rates linked to United States Treasury rates at the end of the reporting period.

Compliance with the State Enterprises Performance Monitoring Manual

Following the acquisition of ConocoPhillips' 39.0% Effective Ownership Interest in Phoenix Park by NGC in August 2013, Phoenix Park is required to comply with the provisions of the State Enterprises Performance Monitoring Manual ("Manual") as published by the Ministry of Finance. Existing policies and procedures are currently being amended to ensure compliance.

Corporate Governance

As a part of the compliance with the Manual, the structure of our Board Committees were revised to incorporate the constitution of an Operations Committee, a Human Resources Committee and a Finance and Investment Committee. Under the Manual, Phoenix Park will be subjected to performance monitoring. Phoenix Park shall submit periodic reports and documents to relevant government agencies within pre-established timeframes. The submission requirements include the following, among other items:

- Annual audited financial statements and un-audited half-yearly statements;
- Copies of management letters from statutory auditors;
- Monthly cash statements of operations and loan/overdraft and investments statements;
- Investment policy, business operational plan and strategic management plans;
- Board minutes and report on litigation proceedings;
- Company annual performance appraisal reports; and
- Quarterly internal audit reports.

PHOENIX PARK GAS PROCESSORS LIMITED

Compliance with the State Enterprises Performance Monitoring Manual (continued)

Internal Controls

For 2016 and Q1 2015, we have maintained an internal audit function and documented policies and procedures for each functional area within the organization. The transition to the State Owned Enterprise Manual has had the following impact on Phoenix Park's internal controls:

1. Changes were experienced with regard to the actual oversight and governance bodies.
2. In general, the impact on Phoenix Park's internal controls has been minimal, due to the maintenance of robust controls and ongoing reviews by the internal audit function.
3. The primary affected area would be that of procurement, whereby the change to being a state controlled enterprise resulted in a mandate to incorporate public tendering as part of the process. All related controls are being reviewed and amended to ensure that the system is one that is fair, transparent, and efficient.

Phoenix Park's Outlook

Over the period from 2017 to 2020, Phoenix Park's Strategic focus will be on four (4) pillars:

- Develop the Organization
- Secure Current Business
- Grow Locally & Internationally
- Strengthen National Contribution

Within the context of this plan, PPGPL will continue its efforts in:

1. Strengthening its asset integrity systems;
2. Expanding our marketing presence;
3. Strengthening our talent management infrastructure;
4. Managing its cost structure. In 2017, budgeted costs are projected to be 14% higher than 2016 mainly due to PPGPL's pursuit of its growth initiatives locally, regionally and internationally;
5. Aggressively pursuing its growth agenda;
6. Seeking out strategic investments internationally; and
7. Pursuing these items without compromising our safety, the environment and our integrity.

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Our focus areas for growth include:

1. *NGL Product trading* - This project maximizes the value of PPGPL's installed storage and dock assets through the installation of equipment that facilitates the importation of NGLs into PPGPL. These NGLs will be purchased from regional suppliers, stored in PPGPL's storage tanks and re-exported into PPGPL's markets in the region. This project is part of the broader strategy of the NGC Group of establishing a marketing and trading business segment.
2. *Condensate Marketing* - In 2016 the Company re-evaluated the marketability of its condensate that is produced at the plant facility. This would require the conditioning of this condensate in order to improve its marketability and thereby derive a new revenue stream for the business.
3. *Regional Storage Acquisitions* - To date PPGPL has completed its assessment of the storage and terminal facilities within the Caribbean, Central and South American region. A database of the regional port and storage assets has been developed for further analysis.
4. Evaluation of business opportunities in Ghana, Guyana, Suriname and the Caribbean in addition to the ground breaking technology of Compressed Gas Liquid.

(iii) Statement of Management's Responsibility for the Preparation of Five Year Summary Financial Statements

to 31 December 2016

PHOENIX PARK GAS PROCESSORS LIMITED

(iii) Statement of **Management's Responsibility for the Preparation of Five Year Summary Financial Statements** to 31 December 2016

It is the responsibility of management to prepare the Five Year Summary Financial Statements to 31 December 2016 which present fairly, in all material respects, the state of affairs of Phoenix Park Gas Processors Limited (the "Company") as at the end of each financial year and the operating results of the Company for the years then ended. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of the Five Year Summary Financial Statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the Five Year Summary Financial Statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next twelve (12) months from the date of this statement.

Dominic Rampersad
President

17 May 2017

Bal Boodram
VP Finance & Information Technology (Ag.)

17 May 2017

(iv) Accountants' Report on Five Year Summary

for the Years Ended 31 December 2016

(iv) Accountants' Report on **Five Year Summary for the Years** Ended 31 December 2016

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Report of the Independent Auditor on the Summary Financial Statements
To the Shareholders of Phoenix Park Gas Processors Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2016, the summary statement of profit and loss and other comprehensive income, summary statement of changes in equity and summary cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of Phoenix Park Gas Processors Limited for the year ended December 31, 2016.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis of management's established criteria described in Note 1.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated February 10, 2017.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis of management's established criteria described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

Deloitte & Touche

Deloitte & Touche
Derek Mohammed (ICATT# 864)

Port of Spain
Trinidad
May 11, 2017

PHOENIX PARK GAS PROCESSORS LIMITED

KPMG
Chartered Accountants
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Independent Auditors' Report on the Summary Financial Statements
To the Directors of Phoenix Park Gas Processors Limited

Opinion

The accompanying summary financial statements of Phoenix Park Gas Processors Limited ("Phoenix Park") for the 5 years ended 31 December 2012 to 2016 as set out in Appendix VII sub-section (v), which comprise the summary statement of financial position as at 31 December in each of the 5 years, and the summary statements of comprehensive income, changes in equity and cash flows for each of the years then ended, are derived from the audited financial statements of Phoenix Park for the respective years. KPMG audited the financial statements of Phoenix Park for the 4 years ended 31 December 2012 to 2015.

In our opinion, the summary financial statements described above are a fair summary of the audited financial statements in respect of the 4 years ended 31 December 2012 to 2015, in accordance with the basis described in Note 1. We did not audit the Phoenix Park financial statements for the year ended 31 December 2016, and do not express an opinion in respect of the amounts in the summary financial statements relating to that year.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary financial statements and the auditors' reports thereon, therefore, is not a substitute for reading the audited financial statements and the auditors' reports thereon. The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the dates of our reports on each of the audited financial statements.

The Audited Financial Statements and Our Reports Thereon

We expressed unmodified audit opinions on the audited financial statements for the 4 years ended 31 December 2012 to 2015 in our reports dated 25 March 2013, 21 February 2014, 5 February 2015 and 23 February 2016 respectively.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements in accordance with the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements for those years that we audited based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

KPMG

KPMG
Chartered Accountants
Port of Spain
Trinidad and Tobago
16 May 2017

(v) Five Year Summary Financial Statements

to 31 December 2016

PHOENIX PARK GAS PROCESSORS LIMITED

(v) Five Year Summary Financial Statements to 31 December 2016

Statement of Financial Position

	2016 US$ '000	2015 US$ '000	2014 US$ '000	2013 US$ '000	2012 US$ '000
ASSETS					
Non-current assets					
Property, plant and equipment	278,717	299,111	317,281	323,554	333,458
Debt reserve funds	-	-	-	-	-
	278,717	299,111	317,281	323,554	333,458
Current assets					
Inventories - natural gas liquids	8,502	7,960	20,406	11,364	17,180
Inventories - spares	8,547	8,604	9,502	9,364	8,262
Other accounts receivable and prepayments	28,266	27,805	22,112	20,656	22,025
Accounts receivable - trade	40,083	26,407	39,763	71,122	53,339
Corporation tax - recoverable	4,276	5,795	3,163	-	-
Cash	52,109	72,815	109,077	144,727	189,252
Total current assets	141,783	149,386	204,023	257,233	290,058
Total assets	**420,500**	**448,497**	**521,304**	**580,787**	**623,516**
EQUITY AND LIABILITIES					
Equity					
Stated capital	21,700	21,700	21,700	21,700	21,700
Retained earnings	216,500	218,195	284,898	283,286	300,673
Total equity	238,200	239,895	306,598	304,986	322,373
Non-current liabilities					
Borrowings	47,075	60,525	57,925	75,857	95,242
Deferred tax liability	77,677	80,775	80,654	81,886	82,023
Total non-current liabilities	124,752	141,300	138,579	157,743	177,265
Current liabilities					
Dividends payable	5,000	10,000	10,000	20,000	20,000
Corporation tax payable	-	-	-	2,238	86
Accounts payable - trade	27,090	29,853	42,554	67,991	66,269
Other accounts payable and accruals	12,008	13,999	5,640	8,444	13,454
Borrowings	13,450	13,450	17,933	19,385	24,069
Total current liabilities	57,548	67,302	76,127	118,058	123,878
Total liabilities	182,300	208,602	214,706	275,801	301,143
Total equity and liabilities	**420,500**	**448,497**	**521,304**	**580,787**	**623,516**

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Comprehensive Income**

	2016 '000 US$	2015 '000 US$	2014 '000 US$	2013 '000 US$	2012 '000 US$
Revenue	300,902	383,810	696,813	808,300	844,165
Cost of sales	(174,077)	(238,321)	(404,667)	(463,511)	(475,543)
Gross profit	126,825	145,489	292,146	344,789	368,622
Operating expenses	(14,768)	(19,721)	(14,855)	(15,161)	(17,644)
Administrative expenses	(8,421)	(21,163)	(11,369)	(9,281)	(11,923)
Distribution costs	(3,182)	(2,741)	(3,027)	(3,985)	(4,385)
Project operating costs	-	(48)	(57)	(95)	(102)
Finance costs (net)	(1,317)	(11,367)	(5,495)	(6,630)	(8,496)
Profit before tax	99,137	90,449	257,343	309,637	326,072
Taxation	(35,832)	(35,452)	(90,731)	(107,024)	(112,846)
Profit for the year	63,305	54,997	166,612	202,613	213,226
Total comprehensive income for the year	63,305	54,997	166,612	202,613	213,226

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Changes in Equity**

	Notes	Stated capital '000	Retained earnings '000	Total '000
		US$	US$	US$
Year ended 31 December 2012				
Balance at beginning of year		21,700	312,447	334,147
Profit and total comprehensive income for the year		-	213,226	213,226
Dividends		-	(225,000)	(225,000)
Balance at end of year		21,700	300,673	322,373
Year ended 31 December 2013				
Balance at beginning of year		21,700	300,673	322,373
Profit and total comprehensive income for the year		-	202,613	202,613
Dividends		-	(220,000)	(220,000)
Balance at end of year		21,700	283,286	304,986
Year ended 31 December 2014				
Balance at beginning of year		21,700	283,286	304,986
Profit and total comprehensive income for the year		-	166,612	166,612
Dividends		-	(165,000)	(165,000)
Balance at end of year		21,700	284,898	306,598
Year ended 31 December 2015				
Balance at beginning of year		21,700	284,898	306,598
Profit and total comprehensive income for the year		-	54,997	54,997
Dividends		-	(121,700)	(121,700)
Balance at end of year		21,700	218,195	239,895
Year ended 31 December 2016				
Balance at beginning of year		21,700	218,195	239,895
Profit and total comprehensive income for the year		-	63,305	63,305
Dividends		-	(65,000)	(65,000)
Balance at end of year		21,700	216,500	238,200

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Cash Flows**

	2016 '000 US$	2015 '000 US$	2014 '000 US$	2013 '000 US$	2012 '000 US$
Cash inflow from operating activities	103,786	140,367	276,434	322,454	371,658
Taxation paid	(37,438)	(37,966)	(97,363)	(105,009)	(114,299)
Interest received	150	169	358	459	620
Interest paid	(1,440)	(11,289)	(5,717)	(7,005)	(9,482)
Dividends paid	(70,000)	(121,700)	(175,000)	(220,000)	(230,000)
Net cash (used in) from operating activities	(4,942)	(30,419)	(1,288)	(9,101)	18,497
Cash flows from investing activities					
Purchase of property, plant and equipment	(2,314)	(3,716)	(14,753)	(11,083)	(17,278)
Net cash used in investing activities	(2,314)	(3,716)	(14,753)	(11,083)	(17,278)
Cash flows from financing activities					
Repayment of borrowings	(13,450)	(2,127)	(19,609)	(24,341)	(30,898)
Increase in debt reserve funds	-	18,608	7,923	(421)	(431)
Net cash (used in) from financing activities	(13,450)	16,481	(11,686)	(24,762)	(31,329)
Decrease in cash and cash equivalents	(20,706)	(17,654)	(27,727)	(44,946)	(30,110)
Cash and cash equivalents at beginning of year	72,815	90,469	118,196	163,142	193,252
Cash and cash equivalents at end of year	52,109	72,815	90,469	118,196	163,142

PHOENIX PARK GAS PROCESSORS LIMITED

Note 1 Basis of preparation

The summary Financial Statements have been prepared by presenting the Statement of Financial Position, Statements of Comprehensive Income, Changes in Equity and Cash Flows exactly as presented in the full set of Financial Statements which were prepared in accordance with International Financial Reporting Standards for the years ended 31 December 2012, 2013, 2014, 2015 and 2016. The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss to the extent applicable. The summary Financial Statements do not include the accounting policies and the notes that are contained in the full audited Financial Statements. The accounting policies have been amended where applicable for the adoption of new and revised International Financial Reporting Standards as disclosed in the full audited Financial Statements.

(vi) **Management Discussion and Analysis**

on the Five Year Performance

(vi) Management Discussion and Analysis on the **Five Year Performance**

Five-year Summary Management Discussion and Analysis ("MD&A")

This Management Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the accompanying comparative audited financial statements for the year ended 31 December 2016 and the five (5) years ended 31 December 2016 previously illustrated. Some of the information contained in this discussion and analysis contains forward-looking statements that involve risk and uncertainties. See ''Forward-Looking Statements'' and ''Risk Factors Associated with Phoenix Park'' for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those discussions in the forward-looking statements as a result of various factors, including those described in ''Risk Factors Associated with Phoenix Park'' and elsewhere in this Prospectus. Unless otherwise stated, the following discussion is presented in US dollars ("US$"). This MD&A was prepared as of 10 February 2017.

Notice regarding Forward-Looking Information

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable Securities Legislation, including statements with respect to management's beliefs, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. These statements are not guarantees of future performance and are based on management's estimates and assumptions that are subject to risks and uncertainties which could cause actual results to differ materially from any forward-looking statements contained in this MD&A. Those risks and uncertainties include, among other things, risks associated with the lack of historical operating information, variability of dividends, changes in regulation or legislation, operating risks, environmental matters and the general economic environment. Management cautions that the foregoing list is not exhaustive, as other factors could adversely affect the results, performance or achievements of the Company. The reader is cautioned against undue reliance on any forward looking statements. Although the forward looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Except as required by applicable law, management undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

PHOENIX PARK GAS PROCESSORS LIMITED

Non-IFRS Financial Measures

While Phoenix Park reports financial results in accordance with International Financial Reporting Standards ("IFRS"), this discussion includes certain non-IFRS financial measures. Phoenix Park believes these non-IFRS measures (which are accompanied by reconciliations to the comparable IFRS measures) provide a meaningful comparison to the corresponding reported period and assists Investors in performing their analysis and provides visibility into the underlying financial performance of Phoenix Park's business.

Phoenix Park believes that these non-IFRS measures are presented in such a way as to allow Investors to more clearly understand the nature and amount of the adjustments to arrive at the non-IFRS measure. Investors should consider the non-IFRS measures in addition to, not as a substitute for, or superior to, the comparable IFRS measures. Further, these non-IFRS measures may differ from similarly titled measures presented by other companies.

"EBITDA" which is defined as profit before interest, tax and depreciation is used by management as an internal measure of financial performance. This metric has limitations as an analytical tool and Investors should not consider it in isolation or as a substitute for analysis of results reported under IFRS.

"EBITDA Margin" is calculated as EBITDA divided by revenue.

Reconciliation of Non-IFRS Financial Measures

The following table reconciles net income to EBITDA based on the financial statements of Phoenix Park for the periods indicated:

Phoenix Park Gas Processors Limited

(IFRS – in US$ millions)

	As at December 31				
	2012	**2013**	**2014**	**2015**	**2016**
Net profit	**213.2**	**202.6**	**166.6**	**55.0**	**63.3**
Interest paid[1]	**9.5**	**7.0**	**5.7**	**11.3**	**1.4**
Interest received[1]	**(0.6)**	**(0.5)**	**(0.4)**	**(0.2)**	**(0.2)**
Taxation[1]	**112.8**	**107.0**	**90.7**	**35.5**	**35.8**
Depreciation[2]	**19.9**	**21.0**	**21.0**	**21.9**	**22.7**
EBITDA	**354.8**	**337.1**	**283.6**	**123.5**	**123.0**

[1] **Obtained from Statement of Comprehensive Income**

[2] **Obtained from Note 5 Property Plant and Equipment**

PHOENIX PARK GAS PROCESSORS LIMITED

Five-year Performance Summary

The following table presents selected comparative financial information[1]:

	As at 31 December				
	2012	2013	2014	2015	2016
	$	$	$	$	$
Revenue:					
Revenue from gas processing	467,331	415,137	378,421	177,000	163,420
Revenue from sales of ALNG volumes	356,852	373,215	298,481	187,000	117,500
Third-party processing/capacity fees	19,982	19,948	19,911	19,815	19,982
	844,165	808,300	696,813	383,810	300,902
Cost of Sales[2]	475,543	463,511	404,667	238,321	174,077
Gross Profit	**368,622**	**344,789**	**292,146**	**145,489**	**126,825**
Expenses:					
Operating expenses[2]	17,644	15,161	14,855	19,721	14,768
Administrative expenses	11,923	9,281	11,369	21,163	8,421
Distribution costs	4,385	3,985	3,027	2,741	3,182
Project operating costs	102	95	57	48	0
Finance costs	8,496	6,630	5,495	11,367	1,317
Total expenses	42,550	35,152	34,803	55,040	27,688
Net Profit	**213,226**	**202,613**	**166,612**	**54,997**	**63,305**
Gross Profit Margin	*43.7%*	*42.7%*	*41.9%*	*37.9%*	*42.1%*
Net Profit per share	2.31	2.2	1.81	0.60	0.69
Cash flow from operations (excluding dividends)	248,497	210,899	173,712	91,281	65,058
Cash flow from investing	(17,278)	(11,083)	(14,753)	(3,716)	(2,314)
Cash flow from financing	(31,329)	(24,762)	(11,686)	16,481	(13,450)
	199,890	175,054	147,273	104,046	49,294
Cash dividends paid	230,000	220,000	175,000	121,700	70,000

1: Refer to the audited 2016 financial statements and the audited financial statements for 2012-2016, in the previous sections for complete income statement, cash flow statement and balance sheet information.
2: Starting in 2011, production salaries and production depreciation have been categorized as Cost of Sales as compared to Operating Expenses.

PHOENIX PARK GAS PROCESSORS LIMITED

The following table presents selected comparative performance metric information:

	As at 31 December				
	2012	2013	2014	2015	2016
Input Volume:					
Gas Inlet Volume (in mmcfd)	1,553	1,558	1,536	1,511	1,320
GPM	0.474	0.419	0.407	0.417	0.410
Output Volume:					
Gas Processing Production (BPD)	16,889	15,427	14,829	14,974	12,972
ALNG Production (BPD)	18,829	18,852	18,020	15,139	12,205
Total Production Output (BPD)	35,718	34,279	32,849	30,113	25,177
Mont Belvieu Product Price (cpg):					
Propane	100.17	99.27	105.21	45.51	48.57
Butane	165.57	140.22	121.28	60.34	64.15
Natural Gasoline	178.14	213.12	196.17	88.04	92.21
Weighted Average FOB Prices	167.60	166.42	156.74	72.65	70.86
Weighted Average Price Differential[1]	4.71	10.86	13.33	14.92	15.53

1: Price differential represents the difference between the reference price (MBV) and the price Phoenix Park is able to charge to customers for its products.

PHOENIX PARK GAS PROCESSORS LIMITED

OVERVIEW

Phoenix Park is grounded in strong financial performance, generating an operating profit every year since it commenced operations. Over the past five (5) years, revenue, which is significantly driven by NGL product prices, ranged between US$844.2 million and US$300.9 million. During the same period EBITDA was between US$354.8 million and US$123.0 million. The Gross Margin and EBITDA Margin both remained steady between 37.9% and 43.7% and between 32.2% and 42.0% respectively, since 2012. Over the past five (5) years, Phoenix Park distributed a gross dividend of US$817 million to shareholders.

From 2012 to 2016, Phoenix Park's tangible asset backing decreased from approximately US$333 million as at 31 December 2012 to approximately US$278 million as at 31 December 2016.

Over the same timeframe, the debt-to-equity ratio decreased from 0.93 as at 31 December 2012 to 0.76 as at 31 December 2016 as Phoenix Park paid down outstanding borrowings using cash from operations.

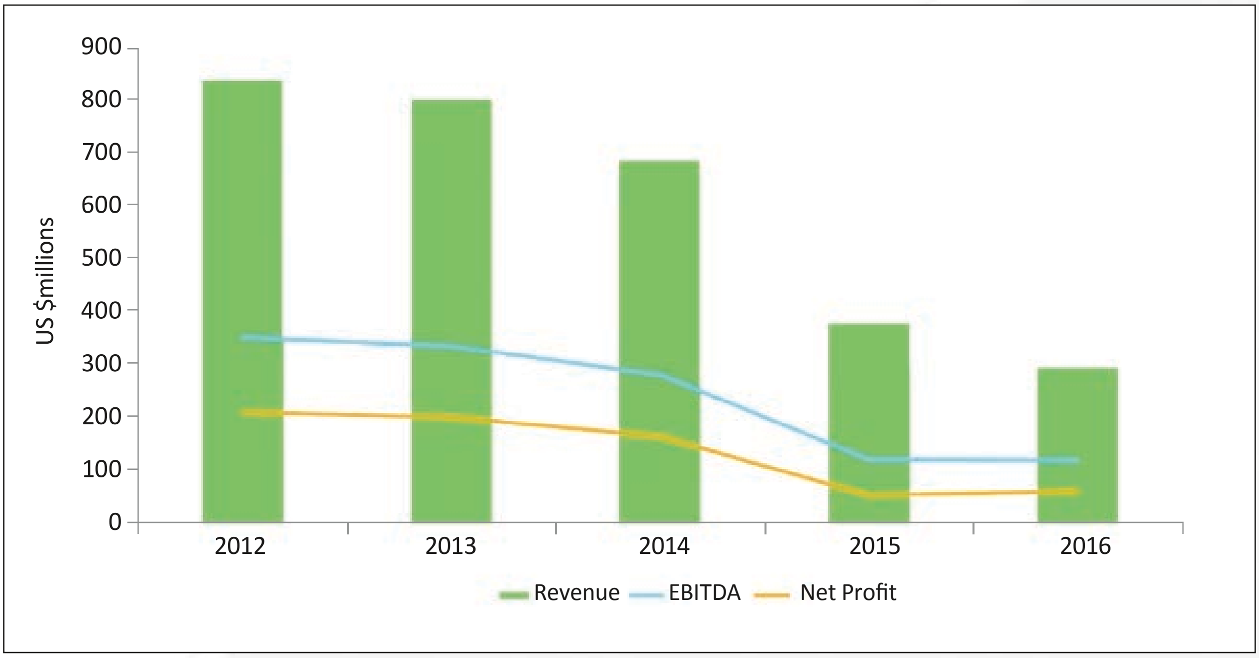

Fig A.iii.1: 5-year historical EBITDA, Revenue and Net Profit

A detailed discussion of the major underlying performance drivers by year is provided in the following sections.

Significant Revenue Streams

The business is analyzed through its main revenue streams from the sale of NGLs and third party NGL processing services.

PHOENIX PARK GAS PROCESSORS LIMITED

Revenue from gas processing

Processing revenue is derived from extracting BTUs from natural gas suppliers' wet natural gas in the form of NGLs, fractionating the NGLs into the component products, retaining and marketing these products. Residue gas is returned to the natural gas suppliers, who are compensated for the extracted BTUs.

Revenue from sales of ALNG volumes

ALNG revenue is generated from fractionating NGLs purchased from ALNG 1 and ALNG 2/3 and marketing these Products. Phoenix Park earns the difference between the price it pays ALNG for NGLs and the weighted average price it receives for selling the Products (ALNG1, and ALNG 2/3).

Third Party Processing/Capacity Fees

Third Party Revenue is derived from two sources. Under an arrangement with ALNG 4, Phoenix Park earns a processing fee for fractionating the NGLs stream from ALNG 4 into products and delivering such products back to ALNG 4 at Phoenix Park's port. Under an agreement with Petrotrin, Phoenix Park receives a fee for maintaining the capacity to fractionate its mixed butane stream to produce isobutane and for delivering such isobutane to Petrotrin. The revenue stream from both of these sources is fixed.

Significant Revenue under Contract

Over the period from 2012 to 2016, between 94.5% and 99.5% of total revenue was generated from our term contracts with customers. These customer contracts typically include a minimum supply volume requirement. There were ten (10) to fifteen (15) annual customer contracts in place for each year during this timeframe. The remaining share of revenue was based on spot sales.

Factors Affecting Our Performance

Key Revenue Drivers

Revenue generation is mainly driven by Phoenix Park's processing capacity and its availability; the volume of gas inlets supplied and their NGLs content; as well as the FOB selling price, which is an aggregate of the respective MBV reference price and the price differential.

Volume Impact from Lower Input Quality: NGLs output volumes have been negatively impacted by the reduction in NGLs content in the supplied inlet gas, which has decreased by approximately 15% between 2012 and 2016, resulting in lower NGL production from gas processing. The decline relates to the lower NGL content in the newly tapped gas wells by the upstream suppliers. Phoenix Park has been in discussions with NGC to further understand and address the issue.

Volume Impact from Declining Gas Supply: Phoenix Park's production was impacted by a decline in the supply of gas volumes over the period due to increased upstream maintenance from natural gas suppliers, mainly driven by evolving safety and environmental standards. As a result, Phoenix Park was not able to meet its contractual obligations. The major maintenance activities which commenced in 2012 were completed by the end of 2016.

PHOENIX PARK GAS PROCESSORS LIMITED

OVERVIEW (continued)

Factors Affecting Our Performance (continued)

Key Revenue Drivers (continued)

Market Price Trends: NGLs prices are primarily driven by crude oil prices, seasonality, North American NGL inventory levels and the prices of alternative fuels. The increase in NGL prices from 2010 to 2011 was mainly as a result of an increase in crude oil prices. However, the close correlation between NGLs prices and crude oil prices has reduced in recent years due to the increasing production of NGLs derived from shale gas production, which resulted in a decline in average FOB prices from 2012 to 2016.

Price Differential: Phoenix Park's FOB price is also impacted by the price differential, which represents the difference between the MBV reference price and the added price that customers are willing to pay to secure their product supply from Phoenix Park. This price spread steadily increased from 4.71 cpg in 2012 to 15.53 cpg in 2016 as Phoenix Park was able to renew term contracts, which typically have a duration of 1-3 years, at higher prices compared to the MBV reference price.

Key Cost Drivers

Economies of Scale in Cost of Sales: Feedstock costs represent over 95.0% of total cost of sales in 2016. Phoenix Park receives feedstock volume from four sources under long-term feedstock agreements, which are structured in such a way that the gross profit margin is partially insulated from changes in commodity prices. Feedstock costs increase in line with higher volumes pursuant to a pricing formula that is based on staggered structure and directly reflect changes in NGLs prices as well as, to a lesser extent, an adjustment for US inflation. The latter only impacts the price paid to NGC.

Age and Condition of Facilities: Repairs and maintenance costs represented 56.1% of total operating expenses in 2016 (43.2% in 2015). Maintenance typically increases as production and storage facilities age.

Fiscal year 2016 compared to fiscal year 2015

Revenue

Revenue for 2016 totaled US$300.9 million which was lower than the prior year comparable by US$82.9 million due primarily to lower product prices. The decline in product prices of 2% was due to a decrease in average MBV selling prices caused by lower crude oil prices, excess NGLs supply from shale resources and high inventory level in the North American market. This decline was partially off-set by an increase in average price differential of 4% from renewed customer contracts at higher prices. Total NGLs production decreased by 16% moving from 30,113 BPD in 2015 to 25,177 BPD in 2016. This was mainly caused by lower inlet gas volumes of 191 Mmcfd, marginally lower NGLs content (2%) in the gas stream received from NGC and a 19% decrease in volumes received from ALNG.

Cost of sales

Cost of sales was lower by US$64.2 million as a result of lower product prices and lower production from gas processing and delivered volumes from ALNG. This decrease was off-set by draw down on NGLs inventory in order to meet contractual obligations to product customers.

PHOENIX PARK GAS PROCESSORS LIMITED

Operating expenses

Operating expenses of US$14.8 million decreased by US$5.0 million in 2016 from 2015. This was mainly due to lower employee costs, cost management strategies which resulted in overall savings and deferral of major maintenance to 2017.

Administrative expenses

Administrative expenses were lower by US$12.7 million due primarily to the Oncology Donation that was made in 2015 of US$10 million in addition to the results from the various cost management strategies being employed.

Liquidity

Phoenix Park plans and manages liquidity requirements using a financial modeling tool. The company performs regular stress testing on its liquidity position, considering projected operating cash flows, as well as the maturity of financial investments and due date of financial obligations. For years ended 31 December 2015 and 2016, Phoenix Park has not experienced any liquidity shortages, has met all of its financial obligations on time and maintained a healthy dividend distribution to its shareholders.

Phoenix Park's financial risk-taking activities are governed by policies and procedures such that financial risks are identified, measured and managed in accordance with company policies and risk appetite. Senior management is supported by the risk committee that advises on enterprise risks and their impact on its business. Together, they develop and implement strategies in response to any identified risks in order to mitigate their impact.

Cash flow from operations (excluding dividends)

The decrease from US$91.3 million in 2015 to US$65.1 million in 2016 reflects a decrease in net profit before taxation driven by lower revenue, off-set by lower cash outflow for working capital purposes of US$ 36 million and a decrease in taxes paid of US$0.5 million.

Cash flow from investing

The decrease from US$3.7 million in 2015 to US$2.3 million in 2016 was mainly driven by decreased expenditure due to the delay in the commencement of the Product Trading project to 2017. The Product Trading maximizes the value of PPGPL's installed storage and dock assets through the installation of equipment that facilitates the importation of NGLs into PPGPL. These NGLs will be purchased from regional suppliers, stored in PPGPL's storage tanks and re-exported into PPGPL's markets in the region. The estimated installed cost is U$6.1 million.

Cash flow from financing

The decrease in borrowings of US$13.5 million in 2016 from a reduction of US$2.1 million in 2015 represents the net impact of additional funding for the make whole amount that formed part of the debt package for the refinancing of Phoenix Park's long-term senior secured notes repaid on 26 March 2015.

Fiscal year 2015 compared to fiscal year 2014

Revenue

Revenue declined by approximately US$313.0 million year-on-year to US$383.8 million. Approximately US$ 244 million of the decline was caused by a 31% decrease in average MBV selling prices, attributable to excess NGLs supply and high inventory levels in the market. This decline was partially off-set by an increase in average price differential due to market arbitrage opportunities for LPG. Significant customer contracts were renewed at these higher prices in 2015 and accounted for US$3.5 million in higher revenue. The remaining US$72.5 million of the revenue decline was due to a decrease in production volume primarily from lower NGLs content feedstock and lower delivered volumes from ALNG.

NGLs production decreased from 32,849 BPD in 2014 to 30,113 BPD in 2015, mainly caused by lower NGLs content in the gas stream and marginally lower processed gas volumes, as well as a decrease in volumes received from ALNG.

Cost of sales

Cost of sales declined from US$404.7 million in 2014 to US$238.3 million in 2015 in line with lower production volumes and lower average product prices.

Operating expenses

Operating expenses marginally increased by US$4.9 million in 2015. This was mainly due to the increases in facilities maintenance cost, business development costs.

Administrative expenses

Administrative expenses increased by US$9.8 million in 2015. This increase was primarily due to a US$10 million donation towards equipment for the Oncology Centre.

Distribution costs

The decline in distribution costs of US$0.3 million in 2015 reflects lower product loading expenses.

Cash flow from operations (excluding dividends)

The decline from US$173.7 million in 2014 to US$91.3 million in 2015 reflects a decrease in revenue, off-set by a lower cash outflow for working capital purposes of US$11 million and a decrease in taxes paid of US$59.4 million that was caused by lower production and lower prices. The lower use of cash for working capital purposes was mainly driven by a decrease in trade receivables related to the receipt of cash for the December 2015 natural gasoline sale.

Cash flow from investing

The increase from US$11.1 million in 2013 to US$14.8 million in 2014 was mainly driven by the capital expenditure on the Spheres piping project and new Administration building. Both of these projects were completed in 2014.

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Cash flow from financing

The net inflow of US$16.5 million in 2015 from US$11.7 million net outflow in 2014 was due to the maturity of Phoenix Park's 1998 bond issue on 1 April 2013 and the release to operating cash flow of the debt reserve amount for this facility of US$8.2 million

Fiscal year 2014 compared to fiscal year 2013

Revenue

Revenue declined by approximately US$111.5 million year-on-year to US$696.8 million. Approximately US$57.2 million of the decline was caused by a 5.8% decrease in average MBV selling prices, attributable to excess NGLs supply and high inventory levels in the market. This decline was partially off-set by an increase in average price differential due to market arbitrage opportunities for LPG. Significant customer contracts were renewed at these higher prices in 2014 and accounted for US$11.6 million in higher revenue. The remaining US$65.9 million of the revenue decline was due to a decrease in production volume primarily from lower NGLs content feedstock and lower delivered volumes from ALNG.

NGLs production decreased from 34,279 BPD in 2013 to 32,849 BPD in 2014, mainly caused by lower NGLs content in the gas stream and marginally lower processed gas volumes, as well as a decrease in volumes received from ALNG.

Cost of sales

Cost of sales declined from US$463.5 million in 2013 to US$404.7 million in 2014 in line with lower production volumes and lower average product prices.

Operating expenses

Operating expenses marginally decreased by US$0.3 million in 2014. This was mainly driven by a decrease in facilities maintenance cost of US$2.8 million, off-set by US$2.4 million representing the reversal of tax accruals in 2013 for land and building taxes due to a change in government policy.

Administrative expenses

Administrative expenses increased by US$2.1 million in 2014. This increase was primarily due to higher costs on Legal & Professional fees of US$0.3 million, heightened expenditure on sponsorship/ community relations activities and increased land lease costs relating to the new Administration Building on Rivulet Road. The increase was also a result of the reversal in 2013 of an accrual of US$0.3 million for technical fees for the years 2004 to 2013 due to the termination of a technical services agreement between Phoenix Park and ConocoPhillips.

Distribution costs

The decline in distribution costs of US$1.0 million in 2014 reflects lower product loading expenses of US$0.6 million as Petrotrin resumed supplying LPG to the local market in Q2 2013. This decline was coupled with lower project development costs relating to the natural gasoline product purification project.

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Fiscal year 2014 compared to fiscal year 2013 (continued)

Cash flow from operations (excluding dividends)

The decline from US$210.9 million in 2013 to US$173.7 million in 2014 reflects a decrease in revenue, off-set by a lower cash outflow for working capital purposes of US$7.4 million and a decrease in taxes paid of US$7.6 million that was caused by lower production and slightly lower prices. The lower use of cash for working capital purposes was mainly driven by a decrease in trade receivables related to the receipt of cash for the December 2014 natural gasoline sale.

Cash flow from investing

The increase from US$11.1 million in 2013 to US$14.8 million in 2014 was mainly driven by the capital expenditure on the Spheres piping project and the new Administration building. Both of these projects were completed in 2014.

Cash flow from financing

The decrease from US$24.8 million in 2013 to US$11.7 million in 2014 was due to the maturity of Phoenix Park's 1998 bond issue on 1 April 2013 and the release to operating cash flow of the debt reserve amount for this facility of US$8.2 million.

Fiscal year 2013 compared to fiscal year 2012

Revenue

Annual revenue totaled US$808.3 million in 2013, down by only US$35.9 million compared to the prior year. Product prices were fairly stable during 2013 as waterborne export facilities on the US Gulf Coast now facilitate the shipment of large product cargoes to the Far East markets. As a result, only US$5.8 million of the decline in year-on-year revenue was attributable to price movements, while US$30.1 million of the decrease was driven by lower production volumes.

Processing volumes were negatively impacted by ongoing upstream maintenance work at offshore sites. However, the major maintenance activities were completed by the end of 2013.

Cost of sales

Cost of sales declined from US$475.5 million in 2012 to US$463.5 million in 2013 in line with lower volumes while average prices were in line with price levels in 2012.

Operating expenses

Operating expenses decreased by US$2.5 million in 2013, which was mainly driven by a decrease in facilities maintenance cost of US$1.9 million and the net impact of US$0.7 million year-on-year from the reversal of tax accruals, as there was a net reversal of tax accruals of US$1.7 million in 2012 and a reversal of accrued land and building taxes in the amount of US$2.4 million in 2013. In addition, Phoenix Park incurred US$0.5 million in expenses for the Spheres piping project and the upgrade of the firewater system in 2013, which was partly mitigated by lower consultancy and insurance costs in the amount of US$0.4 million. As a result of the reversal of tax accruals, which was related to a change in government policy, operating expenses for the year were lower by US$2.4 million.

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Administrative expenses

Administrative expenses declined by US$2.6 million year-on-year, which mainly reflects a pension fund payment of US$1.7 million and an inventory adjustment of US$0.5 million in 2012. Administrative expenses for the year included the reversal of an accrual of US$0.3 million for technical fees for the years 2004 to 2013 due to the termination of a technical services agreement between Phoenix Park and ConocoPhillips.

Distribution costs

The decline in distribution costs from US$4.4 million in 2012 to US$4.0 million in 2013 reflects lower product loading expenses of US$1.1 million as Petrotrin resumed supplying LPG to the local market in Q2 2013, which was done by Phoenix Park in 2012 during upgrade activities at the Petrotrin refinery. The lower product loading expenses in 2013 were partly offset by project development costs relating to the natural gasoline product purification project.

Cash flow from operations (excluding dividends)

The decline from US$248.5 million in 2012 to US$210.9 million in 2013 reflects a decrease in revenue and a higher cash outflow for working capital purposes of US$31.9 million. The higher use of cash for working capital purposes was mainly driven by an increase in trade receivables related to the timing of the December 2013 natural gasoline sale. On the other hand, the decrease was offset by a decrease in taxes paid of US$9.3 million that was caused by lower production and slightly lower prices.

Cash flow from investing

The net outflow decrease from US$17.3 million in 2012 to US$11.1 million in 2013 was mainly driven by the commissioning of the Interconnects project in 2012.

Cash flow from financing

The decrease from US$31.3 million in 2012 to US$24.8 million in 2013 was due to the maturity of Phoenix Park's 1998 bond issue on 1 April 2013.

Capital Resources

The primary objective of Phoenix Park's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

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Capital Resources (continued)

The following table presents the capital resources of Phoenix Park:

	As at 31 December				
	2012	2013	2014	2015	2016
	$	$	$	$	$
Interest-bearing loans and borrowings	119,311	95,242	75,858	73,975	60,525
Dividends payable	20,000	20,000	10,000	10,000	5,000
Corporation tax payable	86	2,238	0	0	0
Trade and other payables	79,723	76,435	48,194	43,852	39,098
Less cash and short-term deposits	(189,252)	(144,727)	(109,077)	(72,815)	(52,109)
Net debt	29,868	49,188	24,975	55,012	52,514
Stated capital	21,700	21,700	21,700	21,700	21,700
Retained earnings	300,673	283,286	284,898	218,195	216,500
Total capital	322,373	304,986	306,598	239,895	238,200
Capital and net debt	352,241	354,174	331,573	294,907	290,714
Gearing Ratio [1]	8.5%	13.9%	7.5%	18.7%	18.1%

The gearing ratio used for capital management purposes is defined as net debt divided by total capital plus net debt. Phoenix Park's gearing ratio increased from 8.5% as at 31 December 2012 to 18.1% as at 31 December 2016 a US$84 million decrease in retained earnings offset by a US$59 million decline in loans and borrowings, and over the same timeframe.

Outstanding Long Term Debt Balances

As of 31 December 2016, Phoenix Park had outstanding long-term debt of US$60.5 million, consisting of one (1) facility that was issued to repay the outstanding balances on the long-term senior bonds due April 2017 and April 2020 as well as finance the early repayment premium on the two (2) facilities.

This long-term loan maturing in March 2021 was disbursed on 26 March 2015 at a fixed interest rate of 2.04%.

The loan facility is unsecured and has limited financial covenants, e.g. with respect to debt service coverage.

[1] Excludes debt reserve funds in 2012

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Contingent Liabilities

Between October 2003 and December 2011, the BIR has issued additional assessments for years of income 1997 and 1999-2010 in respect of claims for capital allowances and resultant additional taxes totaling TT$271.3 million (US$40.2 million). However, Phoenix Park has appealed these assessments to the Tax Appeal Board and management believes that Phoenix Park would be successful in these matters and as such no provision for the additional assessments and the related interest has been made in the financial statements. However, in February 2011 Phoenix Park took advantage of the current amnesty granted by the Minister of Finance for interest and penalties for the late payment of certain taxes by making a deposit with the BIR in the amount of TT$115.2 million (US$18.0 million). This payment represents additional assessments for years of income 1997 and 1999 – 2005.

Transactions between Related Parties

The following table shows Phoenix Park's transactions and balances with related parties:

	As at 31 December				
	2012	**2013**	**2014**	**2015**	**2016**
	$	**$**	**$**	**$**	**$**
Purchases from NGC	**101,212**	**90,456**	**83,236**	**54,892**	**46,132**
Accounts Payable - trade balance	**14,616**	**14,476**	**10,308**	**8,564**	**8,562**

Material related party transactions only consist of purchases of feedstock (BTUs) from NGC. These purchases take place at arm's length. Outstanding balances at each year-end are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Transition toward the State Enterprises Performance Monitoring Manual

Following the acquisition of ConocoPhillips' 39.0% Effective Ownership Interest in Phoenix Park by NGC in August 2013, the requirements of the State Enterprises Performance Monitoring Manual as published by the Ministry of Finance have been implemented at Phoenix Park.

Corporate Governance

As a part of the transition from Phoenix Park's corporate governance framework to the State Enterprises Performance Monitoring Manual, the structure of our Board Committees were revised to incorporate constitution of a Human Resources Committee, Operations Committee and a Finance and Investment Committee. Under the State Enterprises Performance Monitoring Manual, Phoenix Park is subjected to performance monitoring. Phoenix Park shall submit periodic reports and documents to relevant government agencies within pre-established timeframes. The submission requirements include the following, among other items:

- Annual audited financial statements and unaudited half-yearly statements;
- Copies of management letters from statutory auditors;

PHOENIX PARK GAS PROCESSORS LIMITED

Corporate Governance (continued)

- Monthly cash statements of operations and loan/overdraft and investments statements;
- Investment policy, business operational plan and strategic management plans;
- Board minutes and report on litigation proceedings;
- Company annual performance appraisal reports; and
- Quarterly internal audit reports.

Internal Controls

Phoenix Park maintains an internal audit function and documented policies and procedures for each functional area within the organization. The implementation of the State Enterprises Performance Monitoring Manual has had the following impact on Phoenix Park's internal controls:

Changes were experienced with regard to the actual oversight and governance bodies, but not so much the actual internal controls.

In general, the impact on Phoenix Park's internal controls has been minimal, due to the maintenance of robust controls and ongoing reviews by the internal audit function.

(vii) Statement of Management's Responsibility for the Preparation of Financial Statements

for the Quarter Ended 31 March 2017

(vii) Statement of **Management's Responsibility for the Preparation of Financial Statements** for the Quarter Ended 31 March 2017

It is the responsibility of management to prepare financial statements which present fairly, in all material respects, the state of affairs of Phoenix Park Gas Processors Limited (the "Company") as at 31 March 2017 and the operating results of the Company for the period then ended. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these unaudited financial statements in accordance with International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the unaudited financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the IFRS. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Company will not remain a going concern for at least the next twelve (12) months from the date of this statement.

Dominic Rampersad
President

17 April 2017

Bal Boodram
VP Finance & Information Technology (Ag.)

17 April 2017

(viii) **Unaudited Financial Statements**

for the Quarter Ended 31 March 2017

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Financial Position**

AS AT 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

	Notes	Unaudited 31 March 2017 $'000	Unaudited 31 March 2016 $'000	Audited 31 December 2016 $'000
ASSETS				
Non-current assets				
Property, plant and equipment	5	273,430	293,733	278,717
Current assets				
Inventories - natural gas liquids		2,172	7,104	8,502
Inventories - spares		8,778	8,649	8,547
Other accounts receivable and prepayments		26,846	27,168	28,266
Accounts receivable - trade	6	34,515	27,106	40,083
Corporation tax Receivable		2,588	7,900	4,276
Cash	7	73,575	52,071	52,109
Total current assets		148,474	129,998	141,783
Total assets		**421,904**	**423,731**	**420,500**
EQUITY AND LIABILITIES				
Equity				
Stated capital	8	21,700	21,700	21,700
Retained earnings		223,237	210,469	216,500
Total equity		244,937	232,169	238,200
Non-current liabilities				
Borrowings	9	40,350	53,800	47,075
Deferred tax liability	10	76,607	80,119	77,677
Total non-current liabilities		116,957	133,919	124,752
Current liabilities				
Dividends payable		5,000	5,000	5,000
Accounts payable - trade	11	30,075	27,280	27,090
Other accounts payable and accruals		11,485	11,913	12,008
Borrowings	9	13,450	13,450	13,450
Total current liabilities		60,010	57,643	57,548
Total liabilities		176,967	191,562	182,300
Total equity and liabilities		**421,904**	**423,731**	**420,500**

The accompanying notes on pages 298 to 331 form an integral part of these financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Profit or Loss and Other Comprehensive Income**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

	Notes	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
		$'000	**$'000**	**$'000**
Revenue		99,984	67,728	300,902
Cost of sales		61,349	43,050	174,077
Gross profit		38,635	24,678	126,825
Operating expenses	12	2,165	2,989	14,768
Administrative expenses	12	1,686	1,846	8,421
Distribution costs	12	754	603	3,182
Finance costs (net)	12	235	370	1,317
Profit before tax		33,795	18,870	99,137
Taxation	13	12,058	6,596	35,832
Profit for the year		21,737	12,274	63,305
Total comprehensive income for the year		**21,737**	**12,274**	**63,305**

The accompanying notes on pages 298 to 331 form an integral part of these financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Changes in Equity**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

	Notes	Stated capital $'000	Retained earnings $'000	Total $'000
Year ended 31 December 2016				
Balance at beginning of year		21,700	218,195	239,895
Profit and total comprehensive income for the year		-	63,305	63,305
Dividends	17	-	(65,000)	(65,000)
Balance at end of year		21,700	216,500	238,200
Quarter ended 31 March 2016				
Balance at beginning of quarter		21,700	218,195	239,895
Profit and total comprehensive income for the quarter		-	12,274	12,274
Dividends	17	-	(20,000)	(20,000)
Balance at end of quarter		21,700	210,469	232,169
Quarter ended 31 March 2017				
Balance at beginning of quarter		21,700	216,500	238,200
Profit and total comprehensive income for the quarter		-	21,737	21,737
Dividends	17	-	(15,000)	(15,000)
Balance at end of quarter		21,700	223,237	244,937

There were no changes during the two years relating to items recognized in Other Comprehensive Income.

The accompanying notes on pages 298 to 331 form an integral part of these financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Statement of **Cash Flows**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

	Notes	Unaudited 31 March 2017 $'000	Unaudited 31 March 2016 $'000	Audited 31 December 2016 $'000
Cash flows from operating activities	14	55,072	20,975	103,786
Taxation paid		(11,440)	(9,356)	(37,438)
Interest received		95	39	150
Interest paid		(330)	(388)	(1,440)
Dividends paid		(15,000)	(25,000)	(70,000)
Net cash from (used in) operating activities		28,397	(13,730)	(4,942)
Cash flows from investing activities				
Purchase of property, plant and equipment		(206)	(289)	(2,314)
Net cash used in investing activities		(206)	(289)	(2,314)
Cash flows from financing activities				
Repayment of borrowings		(6,725)	(6,725)	(13,450)
Net cash used in financing activities		(6,725)	(6,725)	(13,450)
Increase (decrease) in cash and cash equivalents		21,466	(20,744)	(20,706)
Cash and cash equivalents at beginning of year		52,109	72,815	72,815
Cash and cash equivalents at end of period	7	73,575	52,071	52,109

The accompanying notes on pages 298 to 331 form an integral part of these financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

1. Incorporation and principal activities

The Company is incorporated in the Republic of Trinidad and Tobago. It is owned by NGC NGL Company Limited (51%), Trinidad and Tobago NGL Limited (39%), and Pan West Engineers, and Constructors LLC (10%), a consortium comprising of Trinidad and Tobago Unit Trust Corporation, National Insurance Board of Trinidad and Tobago and National Enterprises Limited.

The registered office of the Company is situated at Rio Grande Drive, Point Lisas. Its principal activity is natural gas processing, aggregation, fractionation and marketing of natural gas liquids.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRS and new Interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interest in Joint Operations***
  The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

  A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

  The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016. The Directors of the Company have assessed that the application of these amendments to IFRS 11 will not have a material impact on the financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.1 **Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

  The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

  a) when the intangible asset is expensed as a measure of revenue; or
  b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

  The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

  The management of the Company believes that the depreciation methods are the most appropriate methods to reflect the consumption of economic benefits inherent in the respective assets and accordingly, Management of the Company has assessed that the application of these amendments to IAS 16 and IAS 38 will not have a material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***

  The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

  Management of the Company has assessed that the application of these amendments to IAS 16 and IAS 41 will not have an impact on the financial statements as the Company is not engaged in agricultural activities.

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *(Investment Entities: Applying the Consolidation Exception)***

  Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

  a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.1 **Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year** (continued)

- **Amendments to IFRS 10, IFRS 12 and IAS 28 *(Investment Entities: Applying the Consolidation Exception)*** (continued)

  b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.

  c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

  d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The Directors of the Company have assessed that the application of these amendments will not have a significant impact on the consolidated financial statements.

- **Annual Improvements 2012 – 2014**

  The *Annual Improvements to IFRS 2012-2014* include a number of amendments to various IFRS, which are summarised below.

  IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.
  IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.
  IAS 19 — Clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.
  IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

  The Directors of the Company have assessed that the application of these amendments will not have a significant impact on the financial statements.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.1 **Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year** (continued)

- **Amendment to IAS 1: D*isclosure Initiative***

  Amendments were made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

  a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

  b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to the statement of profit or loss and other comprehensive income;

  c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

  The Directors of the Company have assessed that the application of these amendments will not have a significant impact on the financial statements.

- **Amendments to IAS 27: *Equity Method in Separate Financial Statements***

  Amendments were made to IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Consequently, an entity is permitted to account for these investments either:

  (i) at cost; or
  (ii) in accordance with IFRS 9 (or IAS 39); or
  (iii) using the equity method.

  This is an accounting policy choice for each category of investment.

  The Company presently accounts for initial investments at cost, subjected to any impairment gain/loss at subsequent reporting periods; therefore amendments to IAS 27 will have no impact on the Company's reporting.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

2. Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

2.2 New and revised IFRS in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

• IFRS 9	Financial instruments (2)
• IFRS 15	Revenue from Contracts with Customers (2)
• IFRS 16	Leases (3)
• Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions (2)
• Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4)
• Amendments to IAS 7	Disclosure initiative (1)
• Amendments to IAS 12	Recognition of Deferred Tax Assets Unrealised Losses (1)

1 Effective for annual periods beginning on or after 1 January, 2017, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January, 2018, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January, 2019, with earlier application permitted.
4 Effective for annual periods beginning on or after a date to be determined.

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of the IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

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2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 9 Financial Instruments (continued)

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of the subsequent accounting periods.

- Debt instruments that are within a business model whose objective is achieved both by, collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset, give rise on specified dates to cash flows that are solely payments of principal, and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

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FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 9 Financial Instruments (continued)

Key requirements of IFRS 9 (continued):

- The new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Classification and measurement

- Bills of exchange and debentures classified as held-to-maturity investments and loans carried at amortised cost as disclosed. These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;

- Listed redeemable notes classified as available-for-sale investments carried at fair value. These are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the notes in the open market, and the notes' contractual terms give rise to cash flows on specific dates that are solely payments of principal and interest on the principal outstanding. Accordingly, the listed redeemable notes will continue to be subsequently measured at FVTOCI upon the application of IFRS 9, and the fair value gains or losses accumulated in the investment revaluation reserve will continue to be subsequently reclassified to profit or loss when the listed redeemable notes are derecognised or reclassified;

- Unlisted shares classified as available-for-sale investments carried at fair value. These shares qualify for designation as measured at FVTOCI under IFRS 9; however, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss under IFRS, which is different from the current treatment. This will affect the amounts recognised in the Company's profit or loss and other comprehensive income but will not affect total comprehensive income;

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Notes to the **Financial Statements**

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2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 9 Financial Instruments (continued)

Classification and measurement (continued)

- Redeemable cumulative preference shares issued by the Company designated as at FVTPL. These financial liabilities qualify for designation as measured at FVTPL under IFRS 9; however, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability will be recognised in other comprehensive income with the remaining fair value change recognised in profit or loss;

  All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

Impairment

Financial assets measured at amortised cost (see classification and measurement section), finance lease receivables, amounts due from customer under construction contracts, and financial guarantee contracts will be subject to the impairment provisions of IFRS 9.

The Company expects to apply the simplified approach to recognise lifetime expected credit losses for its trade receivables, finance lease receivables and amounts due from customer under construction contracts as required or permitted by IFRS 15. The Directors of the Company consider that they have low credit risk given their strong external credit rating and hence expect to recognise 12-month expected credit for the listed redeemable notes, bills of exchange and debentures. In relation to the loans to related parties and financial guarantee contracts, whether lifetime or 12-month expected credit losses should be recognised would depend on whether there has been a significant increase in credit risk of these items from initial recognition to the date of initial application of IFRS 9. The Directors are currently assessing the extent of this impact.

The management of the Company anticipates that the application of IFRS 9 in the future may not have a material impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company undertakes a detailed review.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Management of the Company anticipates that the application of IFRS 15 in the future may not have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, the Company is yet to perform a detailed review of the future effects of IFRS 15.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

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2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Directors of the Company do not anticipate that the application of this standard will have a significant impact on the financial statements.

Amendments to IFRS 2 *Classification and measurement of the Share-Based Payment Transactions*

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payment.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employees tax obligation to meet the employees tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

   i. The original liability is recognised;
   ii. The equity-settled share-based payment is recognised at the modification date fair value of equity instrument granted to the extent that services have been rendered up to the modification date; and
   iii. Any difference between the carrying amount of the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

Amendments to IFRS 2 *Classification and measurement of the Share-Based Payment Transactions* (continued)

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply. The Directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Company's financial statements as the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interest in that associate or joint venture. Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statement.

Amendments to IAS 7, *Disclosure Initiative*

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statements.

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Notes to the **Financial Statements**

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(Unaudited, Expressed in Thousands of United States Dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs)** (continued)

2.2 **New and revised IFRS in issue but not yet effective** (continued)

Amendments to IAS 12, *Recognition of Deferred Tax Assets for Unrealised Losses*

Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

The carrying amount of an asset does not limit the estimation of probable future taxable profits.

Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statements.

3. **Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared under the historical cost convention. The financial statements are presented in thousands of United States dollars which is also the functional currency.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

a) **Currency transactions**

The functional currency of the Company's financial statements is the United States dollar because it is the currency of the primary economic environment in which the entity operates. Transactions denominated in currencies other than United States dollars are accounted for at the rates prevailing on the dates of the transactions.

Notes to the Financial Statements

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

b) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided using the straight-line method at the following rates which are designed to write off the cost of these assets over their expected useful lives:

Gas plant and other projects	-	period of Gas Processing Agreement
Computer equipment & software	-	25.0%
Furniture, fixtures & equipment	-	12.5%
Plant tools	-	12.5%

The expected life of the gas plant and other projects was re-assessed in 2009 upon renewal of the Gas Processing Agreement with The National Gas Company of Trinidad and Tobago Limited to coincide with the 20-year period of the Agreement. The carrying value of these assets as at that date is being depreciated at 5% per annum.

Fixed assets under construction represent the costs associated with ongoing capital projects. These costs remain in the work in progress account until the assets are put in service, at which time the costs relating to the assets are transferred into the respective fixed asset categories and depreciated from that date.

All repairs and maintenance costs are recognised in profit or loss as incurred.

Borrowing costs (net of interest income on investment of proceeds) directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

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Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

c) **Inventories**

Inventories are measured at the lower of cost or net realisable value. Cost of natural gas liquids is determined using the first-in-first-out principle and includes a proportion of plant overheads. Cost of spares is determined using the weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

d) **Accounts receivable – trade**

Accounts receivable - trade are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

e) **Accounts payable – trade**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

f) **Borrowings**

Borrowings are initially recognised at the fair value of the consideration received less any directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortised costs using the effective interest rate method. Amortised cost is calculated by taking into account any directly attributable transaction costs.

g) **Taxation**

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

g) **Taxation** (continued)

Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, and the carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are assessed at the end of each reporting period and are recognised to the extent it has become probable that future taxable profit will allow the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

h) **Retirement benefit - defined contribution plan**

Effective 1 January 2003, the Membership of the pension plan converted the pension plan from a defined benefit plan to a defined contribution plan. A defined contribution plan is a post-employment plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay future amounts.

The plan covers all full time employees and is funded by payments from employees and the Company taking into account the recommendations of independent qualified actuaries. The Company's contributions to the defined contribution plan are charged to profit or loss in the period to which the contributions relate.

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Notes to the **Financial Statements**

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(Unaudited, Expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

i) **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

j) **Accounting for leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss over the life of the lease.

k) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in the fair value, and are used in the management of the Company's short-term commitments.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits as defined above, but excluding any restricted debt reserve funds, net of outstanding bank overdrafts.

l) **Revenue recognition**

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

Interest income

Interest income is recognised as it accrues.

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Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

m) **Dividends**

Dividends to shareholders are recorded in the period in which they are declared.

n) **Recognition and derecognition of financial assets and liabilities**

Recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value and include cash, trade and other receivables.

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, or as loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value as in the case of loans and borrowings, plus directly attributable transaction costs. Financial liabilities include trade and other payables and loans and borrowings.

Derecognition

Financial assets

A financial asset is derecognised where the rights to receive cash flows from the asset have expired or the Company has transferred the rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

If an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification would be treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts would be recognised in profit or loss.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

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(Unaudited, Expressed in Thousands of United States Dollars)

3. **Significant accounting policies** (continued)

Statement of compliance (continued)

o) **Impairment of financial assets**

At each reporting date the Company ascertains whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be estimated reliably.

p) **Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in profit or loss under those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case the carrying amount of the asset is increased to its recoverable amount, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

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Notes to the **Financial Statements**

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3. **Significant accounting policies** (continued)

Statement of compliance (continued)

q) **Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; a discounted cash flow analysis or other valuation models.

An analysis of fair values of financial instruments is provided in Note 9.

r) **Comparatives**

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

4. **Significant accounting estimates and judgements**

Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In the process of applying the Company's accounting policies, management has determined that there were no judgements which have a significant effect on the amounts recognised in the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

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4. **Significant accounting estimates and judgements** (continued)

Estimation uncertainty (continued)

Tax assessments

The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the income tax and deferred tax provisions in the period in which such determinations is made.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liability risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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Notes to the **Financial Statements**

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5. Property, Plant and Equipment

	Gas Plant & Other Projects	Furniture, fixtures & equipment	Computer equipment & software	Plant tools	Fixed assets under construction	Total
At 31 March 2017						
Opening net book value 01 Jan 2017	267,981	542	1,340	534	8,320	278,717
Net additions	-	3	94	-	109	206
Transfers	-	-	23	-	(23)	-
Depreciation Charge	(5,229)	(29)	(199)	(36)	-	(5,493)
Closing net book value 31 March 2017	**262,752**	**516**	**1,258**	**498**	**8,406**	**273,430**
At 31 March 2017						
Cost	635,227	2,355	14,894	5,443	8,406	666,325
Accumulated depreciation	(372,475)	(1,839)	(13,636)	(4,945)	0	(392,895)
Closing net book value 31 March 2017	**262,752**	**516**	**1,258**	**498**	**8,406**	**273,430**
At 31 December 2016						
Cost	635,227	2,352	14,777	5,443	8,320	666,119
Accumulated depreciation	(367,246)	(1,810)	(13,437)	(4,909)	-	(387,402)
Closing net book value 31 December 2016	**267,981**	**542**	**1,340**	**534**	**8,320**	**278,717**
At 31 March 2016						
Cost	634,569	2,291	13,634	5,369	8,234	664,097
Accumulated depreciation	(351,312)	(1,724)	(12,587)	(4,741)	0	(370,364)
Closing net book value 31 March 2016	**283,257**	**567**	**1,047**	**628**	**8,234**	**293,733**

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

6. Accounts Receivable - Trade

Trade receivables are non-interest bearing and are generally on 10-30 day terms.

As at 31 March 2017, the aging analysis of trade receivables is as follows:

		Neither past due nor	Past due but not impaired		
	TOTAL	**impaired**	**30-60 days**	**60-90 days**	**> 90 days**
	$	**$**	**$**	**$**	**$**
Unaudited March 31st 2017	34,515	30,929	31	12	3,543
Unaudited March 31st 2016	27,106	26,931	105	6	64
Audited December 31st 2016	40,083	36,295	915	-	2,873

As at 31 March 2017, no trade receivables were impaired and provided for.

7. Cash

	Unaudited 31 March 2017 $	Unaudited 31 March 2016 $	Audited 31 December 2016 $
Cash at bank and on hand	73,575	52,071	52,109
Debt Reserve Fund	-	-	-
Cash per Statement of Financial Position	73,575	52,071	52,109

Cash at bank earns interest at floating rates based on daily bank deposit rates.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

8. Stated Capital

Authorised

Unlimited number of ordinary "A" shares of no par value
Unlimited number of ordinary "B" shares of no par value

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$	$	$
Issued and fully paid			
47,034,801 "A" shares of no par value	11,067	11,067	11,067
45,190,299 "B" shares of no par value	10,633	10,633	10,633
	21,700	21,700	21,700

9. Borrowings

Current			
Long-term loan due March 2021	13,450	13,450	13,450
Non-current			
Current			
Long-term loan due March 2021	40,350	53,800	47,075
Total borrowings	53,800	67,250	60,525

Long-term loan due March 2021

The long-term loan maturing in March 2021 was disbursed on 26 March 2015, at a fixed interest rate of 2.04%. Semi-annual payments of principal and interest for the loan commenced in September 2015. The loan facility is unsecured and was used to repay the outstanding balances on the long-term senior bonds due April 2017 and April 2020 as well as finance the early repayment premium on the two facilities.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

9. **Borrowings** (continued)

Fair values

	Carrying amount			Fair value		
	31 March 2017	31 March 2016	31 December 2016	31 March 2017	31 March 2016	31 December 2016
	$	$	$	$	$	$
Borrowings						
Long-term senior bonds due March 2021	53,800	67,250	60,525	52,443	66,251	58,998

The fair value of borrowings has been calculated by discounting the expected future cash flows at interest rates linked to United States Treasury rates at the end of the reporting period for 2016 and long-term loan interest rate for 2017.

The following table sets out the carrying amount, by maturity, of the Company's borrowings:

	31 March 2017	31 March 2016	31 December 2016
	$	$	$
Within one year	13,450	13,450	13,450
Between one and two years	13,450	13,450	13,450
Between two and three years	13,450	13,450	13,450
Between three and four years	13,450	13,450	13,450
Between four and five years	-	13,450	6,725
	53,800	67,250	60,525

10. **Deferred Tax Liability**	31 March 2017	31 March 2016	31 December 2016
	$	$	$
Accelerated tax depreciation	76,607	80,119	77,677

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the Financial Statements

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

11. Accounts Payable – Trade

Trade payables are non- interest bearing and are normally settled on 30-day terms.

12. Expenses

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$	$	$
Depreciation	418	544	2,067
Wages and salaries	1,058	1,044	4,682
Repairs and maintenance	518	1,158	8,285
Insurances	512	488	1,967
Electricity	429	430	1,804
Dock and harbour/plant site lease	534	533	2,133
Exchange loss/(gain)	42	141	339
Other	1,094	1,100	5,094
	4,605	5,438	26,371
Represented by:			
Operating expenses	2,165	2,989	14,768
Administrative expenses	1,686	1,846	8,421
Distribution costs	754	603	3,182
	4,605	5,438	26,371
Finance cost (net)			
Interest expense	330	409	1,467
Interest income	(95)	(39)	(150)
	235	370	1,317

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

13. Taxation

This consists of the following:

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$	$	$
Corporation tax:	13,128	7,252	38,931
Deferred tax:	(1,070)	(656)	(3,099)
	12,058	6,596	35,832

The Company's effective tax rate differs from the statutory tax rate as follows:

Profit before taxation	33,795	18,870	99,137
Theoretical income taxes at 35%	11,828	6,605	34,698
Permanent differences	230	(9)	1,134
	12,058	6,596	35,832

14. Cash flows from Operating Activities

Net profit before taxation	33,795	18,870	99,137
Adjustment for:			
Depreciation	5,493	5,667	22,708
Finance Cost (net)	235	370	1,317
Exchange loss (gain)	-	(22)	-
Net changes in working capital	15,549	(3,910)	(19,376)
	55,072	20,975	103,786

15. Staff Costs

Wages and salaries - Operating (Note 12)	1,058	1,044	4,682
Wages and salaries - Cost of Sales	1,954	1,868	8,440
Pension cost	168	175	682

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

16. Related Party Transactions

The Company is controlled by NGC NGL Company Limited which owns 51% of the company, NGC NGL Company Limited is owned 80% by The National Gas Company of Trinidad and Tobago Limited, which is 100% owned by the Government of the Republic of Trinidad and Tobago (GORTT). Other Shareholders are Trinidad and Tobago NGL Limited (39%), a publicly traded company on the Trinidad and Tobago Stock Exchange, and an investment consortium comprising of the Trinidad and Tobago Unit Trust Corporation, the National Insurance Board and National Enterprises Limited, which has acquired the remaining 10% formerly owned by Pan West Engineers & Constructors Inc.

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods and provision of services with the related entities as well as with entities directly and indirectly owned or controlled by GORTT.

The sales to and purchases from related parties are at arm's length. Outstanding balances at the year-end are unsecured and the settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Related party disclosures have only been made below for material transactions, which consist of purchases of feedstock (BTUs) from The National Gas Company of Trinidad and Tobago Limited.

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$	$	$
Related Party			
Purchases	12,685	11,758	46,132
Included in the accounts payable - trade balance as at 31 Mar 2017 / 2016	8,192	7,788	8,562

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

17. Dividends

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$	$	$
Declared and paid during the year:	10,000	15,000	60,000
Equity dividends on ordinary shares:			
$0.11 per share (31 March 2016:$0.16), (31 December 2016:$0.65)			
Declared but not paid during the year:			
Equity dividends on ordinary shares:	5,000	5,000	5,000
$0.05 per share (31 March 2016:$0.05), (31 December 2016:$0.05)			
	15,000	20,000	65,000

18. Commitments and contingencies

18.1 Capital commitments

At 31 March 2017 contractual commitments in respect of plant expansion projects amounted to $Nil (2016: $Nil).

18.2 Operating lease commitments

The Company has entered into leases on land and motor vehicles. The leases on land have an average life of 30 years with renewal terms included in the contracts at the option of the Company. The leases on motor vehicles have an average life of four years with an option to renew. Future minimum payments under these leases are as follows:

	31 March 2017	31 March 2016	31 December 2016
	$	$	$
Not later than one year	1,428	1,564	1,458
Later than one year and not later than five years	6,040	6,874	6,055
Later than five years	9,904	14,049	10,465
	17,372	22,487	17,978
Total lease rentals for the period	606	404	1,453

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

18. **Commitments and contingencies** (continued)

18.3 **Sale commitments**

The Company is committed to sell natural gas liquids to various companies under the terms of negotiated sales contracts. The contract periods vary from one to five years.

18.4 **Purchase commitments and contingency**

The National Gas Company of Trinidad and Tobago Limited
The Company is committed to purchase feedstock (wet natural gas) from The National Gas Company of Trinidad and Tobago Limited (NGC) under a Gas Processing Agreement. The Agreement is for an initial period of 20 years and commenced in 2009.

Atlantic LNG Company of Trinidad and Tobago
The Company is committed to purchase natural gas liquids (NGLs) from Atlantic LNG Company of Trinidad and Tobago under a NGL Sales Agreement. The Agreement is for an initial period of 20 years and commenced in 1999.

Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited
The Company is committed to purchase natural gas liquids (NGLs) from Atlantic LNG 2/3 Company of Trinidad and Tobago Unlimited under a Train 2/3 NGL Sales Agreement. The Agreement is for an initial period of 20 years and commenced in 2002.

Atlantic LNG 4 Company of Trinidad and Tobago Unlimited
The Company is committed to receive, fractionate, store and re-deliver natural gas liquids (NGLs) from Atlantic LNG 4 Company of Trinidad and Tobago Unlimited under a Train 4 NGL Processing Agreement. The Agreement is for an initial period of 20 years and commenced in 2005.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

18. **Commitments and contingencies** (continued)

18.5 **Contingent liabilities**

(i) **Corporation taxes**

The Board of Inland Revenue (BIR) has issued additional assessments for years of income 1997, 1999 - 2010 in respect of claims for capital allowances and resultant additional taxes totaling TT$271.3M (US$40.2M).

The Company has raised objections to these assessments and these matters have been submitted to the Tax Appeal Board for its ruling. A trial date has not yet been determined and therefore it is not practical to determine the outcome of the ruling. However, Management is of the view that the Company would be successful in these matters and as such no provision for the additional assessments and the related interest has been made in the financial statements.

In February 2011, the Board of Directors instructed the Company to take advantage of the then amnesty granted by the Minister of Finance for interest and penalties for the late payment of certain taxes by making a deposit with the BIR in the sum of TT$115.2M (US$18.0M) before 31 May 2011 (years assessed at that time 1997 – 2005). In March 2015, the Company took advantage of the amnesty granted by the Minister of Finance by making a deposit with the BIR in the sum of TT$ 10.07M (US$1.6M) before 31 March 2015 (years assessed 2006 -2009), on the basis that:

- The Company's legal position be preserved;
- Should the Company be successful in this matter then such sum would be off-set against future corporation tax liabilities;
- Should the Company be unsuccessful, then management would have avoided paying the consequential interest and penalties on the disputed sum.

This payment is currently classified as "other accounts receivable and prepayments" in the statement of financial position.

(ii) **Custom bonds**

Custom bonds totaling $55 (March 31st 2016: $55), (December 31st 2016: $55).

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

19. Financial Risk Management Objectives and Policies

Financial Instruments carried on the statement of financial position include trade accounts receivable, cash and bank balances, short-term deposits, trade and other payables and borrowings. The main purpose of these financial instruments is to provide the financial resources required to sustain the Company's operations. The Company's financial risk-taking activities are governed by appropriate policies and procedures such that financial risks are identified, measured and managed in accordance with Company policies and risk appetite. The Company's senior management is supported by a risk committee that advises on enterprise risks and their impact on the business together with the appropriate risk mitigating strategies required in managing these risks to an acceptable level.

(a) Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Company and arises principally from credit exposures to customers relating to outstanding sales receivables.

In order to mitigate the risk of financial loss from defaults, the Company has pursued a policy to manage credit risk whereby specific customers are required to provide sufficient collateral in the form of a Standby Letter of Credit or a Parent Company Guarantee. The Company evaluates the concentration of risk with respect to trade receivables as low and as such no provision was made for doubtful debts.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of financial investments, financial assets and projected cash flows from operations.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

19. **Financial Risk Management Objectives and Policies** (continued)

(b) **Liquidity risk** (continued)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On Demand	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Quarter ended 31 March 2017						
Borrowings	-	-	13,450	40,350	-	53,800
Dividends payable	-	5,000	-	-	-	5,000
Accounts payable - trade	-	30,075	-	-	-	30,075
Other accounts payable and accruals	-	1,485	10,000	-	-	11,485
	-	36,560	23,450	40,350	-	100,360

	On Demand	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Quarter ended 31 March 2016						
Borrowings	-	-	13,450	53,800	-	67,250
Dividends payable	-	5,000	-	-	-	5,000
Accounts payable - trade	-	27,280	-	-	-	27,280
Other accounts payable and accruals	-	1,913	10,000	-	-	11,913
	-	34,193	23,450	53,800	-	111,443

Notes to the Financial Statements

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

19. **Financial Risk Management Objectives and Policies** (continued)

(b) **Liquidity risk** (continued)

	On Demand	Less than 3 months	3 - 12 months	1 - 5 years	> 5 years	Total
	$	$	$	$	$	$
As at 31 December 2016						
Borrowings	-	5,621	5,570	42,702	5,105	58,998
Dividends payable	-	5,000	-	-	-	5,000
Accounts payable - trade	-	27,090	-	-	-	27,090
Other accounts payable and accruals	-	12,008	-	-	-	12,008
	-	**49,719**	**5,570**	**42,702**	**5,105**	**103,096**

(c) **Market risk**

Market risk is the risk or uncertainty from possible market price movements and their impact on the future performance of the business. The market/feedstock price movements that the Company is exposed to, include commodity prices for natural gas and natural gas liquids that could adversely affect the value of the Company's financial assets, liabilities and future cash flows. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the Company's return on its assets.

(d) **Off balance sheet risk**

There are no off balance sheet items at 31 March 2017.

(e) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency). The Company's exposure to foreign currency changes is not material.

PHOENIX PARK GAS PROCESSORS LIMITED

Notes to the **Financial Statements**

FOR THE QUARTER ENDED 31 MARCH 2017

(Unaudited, Expressed in Thousands of United States Dollars)

19. **Financial Risk Management Objectives and Policies** (continued)

(f) **Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company monitors capital using the gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio at an acceptable level as approved by the Board of Directors when raising new debt. No changes were made in the objectives, policies or processes during the Quarter ended 31 March 2017.

	Unaudited 31 March 2017	Unaudited 31 March 2016	Audited 31 December 2016
	$	$	$
Interest-bearing loans and borrowings	53,800	67,250	60,525
Trade and other payables	46,560	44,193	44,098
Less cash and short-term deposits	(73,575)	(52,071)	(52,109)
Net debt	26,785	59,372	52,514
Stated capital	21,700	21,700	21,700
Retained earnings	223,237	210,469	216,500
Total capital	244,937	232,169	238,200
Capital and net debt	271,722	291,541	290,714
Gearing ratio	9.9%	20.4%	18.1%

20. **Financial Instruments**

Fair values

At 31 March 2017, the carrying amounts of cash, receivables, and payables approximate their fair values due to the short-term maturities of these assets and liabilities. Fair values of long-term borrowings have been disclosed under Note 9.

(ix) Management Discussion and Analysis

for the Quarter Ended 31 March 2017

(ix) Management Discussion and Analysis
For the Quarter Ended 31 March 2017

Quarter 1 2017 versus Quarter 1 2016 Performance Summary

The following table presents selected comparative financial information (expressed in thousands of US dollars):

	Quarter Ended 31 March	
	2017	**2016**
	$	**$**
Revenue:		
Revenue from gas processing	53,665	34,651
Revenue from sales of ALNG volumes	40,749	28,098
Third-party processing/capacity fees	5,570	4,979
	99,984	67,728
Cost of Sales	61,349	43,050
Gross Profit	**38,635**	**24,678**
Expenses:		
Operating expenses	2,165	2,989
Administrative expenses	1,686	1,846
Distribution costs	754	603
Total expenses	4,605	5,438
Net Profit	**21,737**	**12,274**
Gross Profit Margin	*38.6%*	*36.4%*
Net Profit per share	0.24	0.13
Cash flow from operations (excluding dividends)	43,397	11,270
Cash flow from investing	(206)	(289)
Cash flow from financing	(6,725)	(6,725)
	36,466	4,256
Cash dividends paid	15,000	25,000

PHOENIX PARK GAS PROCESSORS LIMITED

The following table presents selected comparative performance metric information (expressed in thousands of US dollars):

	Quarter Ended 31 March	
	2017	2016
Input Volume:		
Gas Inlet Volume (in mmcfd)	1,294	1,434
GPM	0.415	0.437
Output Volume:		
Gas Processing Production (BPD)	12,410	15,515
ALNG Production (BPD)	12,907	12,688
Total Production Output (BPD)	25,316	28,203
Mont Belvieu Product Price (cpg):		
Propane	77.40	41.25
Butane	94.46	54.00
Natural Gasoline	102.08	44.40
Weighted Average FOB Prices	97.32	68.38
Weighted Average Price Differential[1]	12.05	10.91

[1:] Price differential represents the difference between the reference price (MBV) and the FOB price Phoenix Park charges its customers for its products

Quarter 1 2017 versus Quarter 1 2016

Revenue

Revenue for Q1 2017 totaled US$ 99.9 million which was higher than the prior year comparable by US$ 32.3 million due primarily to higher product prices. The increase in product prices of 42% was due to an increase in average MBV selling prices caused by NGL price recovery continuing from 2016 into 2017 with latest forecasts showing that this trend would continue to the end of 2017 and through to 2018. US power generation demands for industrial, residential and commercial consumption has increased in 2017 thus exerting upward pressures on NGL prices. This upward pressure is aided by the slow growth in supply as a result of producers restarting drilling as the economics of drilling have improved due to increased prices.

Quarter 1 2017 versus Quarter 1 2016 (continued)

Revenue (continued)

Total NGLs production decreased from 28,203 BPD in Q1 2016 to 25,316 BPD in Q1 2017, mainly caused by lower inlet gas volumes of 140 Mmcfd, marginally lower NGLs content in the gas stream received from NGC and a decrease in volumes received from ALNG. Despite lower production, sales volumes for Q1 2017 was similar to that of Q1 2016 due to a draw down on NGL inventory from volumes brought forward from 2016.

Cost of sales

Cost of sales was higher by US$ 18.3 million as a result of higher product prices. This increase was off-set by lower production from gas processing and delivered volumes from ALNG coupled with a draw down on NGLs inventory in order to meet contractual obligations to product customers.

Operating expenses

Operating expenses decreased by US$ 0.8 million in 2016. This was mainly driven by lower development costs relating to Business Development projects and the results of cost management strategies.

Administrative expenses

Administrative expenses were lower by US$ 0.2 million over the period and were due primarily to decreased Public Relations activity.

Liquidity

Phoenix Park plans and manages liquidity requirements using a financial modeling tool. The company performs regular stress testing on its liquidity position, considering projected operating cash flows, as well as the maturity of financial investments and due date of financial obligations. For Q1 2016, year ended 31 December 2016 and Q1 2017, Phoenix Park has not experienced any liquidity shortages, has met all of its financial obligations on time and maintained a healthy dividend distribution to its shareholders.

Phoenix Park's financial risk-taking activities are governed by policies and procedures such that financial risks are identified, measured and managed in accordance with company policies and risk appetite. Senior management is supported by the risk committee that advises on enterprise risks and their impact on its business. Together, they develop and implement strategies in response to any identified risks in order to mitigate their impact.

Cash flow from operations (excluding dividends)

The increase from US$ 11.3 million in Q1 2016 to US$ 43.4 million in Q1 2017 reflects an increase in net profit before taxation driven by higher revenue, coupled with lower cash outflow for working capital purposes of US$ 19.4 million and off-set by an increase in taxes paid of US$ 2.0 million.

11 | **Exhibits**

EXHIBIT I: TTCD ACCOUNT OPENING CHECKLIST
EXHIBIT II: PURCHASE APPLICATION FORM

EXHIBIT I - TTCD ACCOUNT OPENING CHECKLIST

To apply for shares in this Offer an Investor must have a brokerage account and must complete and submit a Purchase Application Form.

If Investors need to open a brokerage account, the following are the minimum requirements to complete the account opening process:

- Two forms of valid government-issued photo identification for all parties to the brokerage account (ID card, driver's permit, passport).
- Proof of address: a utility bill dated no older than three months from the commencement date of the Offer.
- Proof of income: a job letter or payslip dated no older than three months from the commencement date of the Offer.
- Proof of chequing or savings bank account number to complete dividend remittance details; Accounts must not be dormant or inactive.
- Non-nationals of Trinidad and Tobago need to provide copies of the two forms of valid government-issued photo identification, mentioned above, in full colour. These must be notarised by an appropriate representative to confirm that that they are true copies of the originals.

  Notarised copies of proof of address, proof of income and local bank account number must be provided, along with a bank reference letter and relevant FATCA form.

Brokerage account openings can be done at any broker and the above requirements may vary.
Companies wishing to open a brokerage account should contact their broker of choice for requirements.

If applicants already have a brokerage account and would like to submit an application, the following must be provided along with a Purchase Application Form:

- Brokerage account number.
- Valid government-issued photo identification of all parties to the brokerage account.
- Proof of chequing or savings bank account number to complete remittance details; Accounts must not be dormant or inactive and cannot include mutual fund accounts.
- Non-Public Companies must submit their most recent annual return and a listing of its shareholders.
- Payment with a TT dollar cheque, in the exact amount related to the number of shares subscribed.

  Cheques are to be made payable to "RSL-NGL APO" and can be personal or manager/bank cheques and must be issued by any one of the holders or a combination of holders of the TTCD account. Third-party cheques will not be accepted.
- Subscriptions valued at TT$90,000 or more will require a completed source of funds along with proof of same.

Companies wishing to submit a Purchase Application Form should contact their broker for requirements.

Purchase Application Forms are available from the Approved Distribution Agents:

- Republic Securities Limited
- First Citizens Brokerage & Advisory Services Limited
- JMMB Securities (Trinidad and Tobago) Limited
- Bourse Brokers Limited
- Caribbean Stockbrokers Limited
- West Indies Stock Brokers Limited
- Sheppard Securities Limited
- KSBM Asset Management Limited
- Firstline Securities Limited

PURCHASE APPLICATION FORM

OFFER FOR SALE BY THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED (NGC) OF 40,248,000 Class B Shares in TRINIDAD AND TOBAGO NGL LIMITED at a price of TT$21.00 per share

(TO BE COMPLETED IN BLOCK LETTERS)

BROKER NAME ____________ **TTCD DEPEND ACCOUNT NUMBER** ☐☐☐☐☐☐☐ **JOINTLY HELD (Y/N)** ☐

TO BE COMPLETED BY COMPANY / NOMINEE / INSTITUTION APPLICANT

COMPANY/INSTITUTION OR NOMINEE AND RELATED COMPANY: ____________

DATE OF INCORPORATION: M M D D Y Y

REGISTRATION NUMBER: ____________

TO BE COMPLETED BY INDIVIDUAL APPLICANTS / UNDERLYING NOMINEE HOLDER

PRIMARY ACCOUNT HOLDER # 1 TITLE | FIRST NAME | MIDDLE NAME | LAST NAME

DATE OF BIRTH: M M D D Y Y

ID TYPE: DP | NAT ID | PP

CONTACT INFORMATION: TELEPHONE # ____________ E-MAIL ADDRESS: ____________

JOINT ACCOUNT HOLDER # 1 TITLE | FIRST NAME | MIDDLE NAME | LAST NAME

ID TYPE: DP | NAT ID | PP TELEPHONE # ____________ E-MAIL ADDRESS: ____________

JOINT ACCOUNT HOLDER # 2 TITLE | FIRST NAME | MIDDLE NAME | LAST NAME

ID TYPE: DP | NAT ID | PP TELEPHONE # ____________ E-MAIL ADDRESS: ____________

JOINT ACCOUNT HOLDER # 3 TITLE | FIRST NAME | MIDDLE NAME | LAST NAME

ID TYPE: DP | NAT ID | PP TELEPHONE # ____________ E-MAIL ADDDRESS: ____________

APPLICATION DETAILS

INVESTOR TYPE: ☐ (Insert the number as outlined in part (l) in the Terms & Conditions on the reverse of this page)

NUMBER OF SHARES: ____________ CONSIDERATION: **TT$** ____________ CHEQUE # ____________

Cheques must be made to "RSL-NGL APO" for the exact amount payable and must be drawn in the same name as the applicant or by order of the applicant.

REMITTANCE DETAILS (will be used for refunds where applicable)

NOTE: CURRENCY OF THE ACCOUNT FOR REMITTANCE MUST BE IN TT DOLLARS

NAME ON ACCOUNT: ____________ BANK: ____________

ACCOUNT NUMBER: ____________ BRANCH: ____________

ACCOUNT TYPE: CHEQUING/ CURRENT ☐ SAVINGS ☐

Disclaimer: The Lead Stockbroker will not be held responsible for incorrect/incomplete/invalid banking instructions submitted.
I/We agree: (1) that the information stated above is true and correct and (2) to the terms & conditions on the reverse of this page.
I/We declare that I/We are not under 18 years of age on the date of application.
I/We declare that I/We have read the Prospectus and will not rely on any other information or representation outside the Prospectus. No person responsible for the Prospectus or any part of it will have any liability for any such other information or representation.
Applicants should retain a copy of the Prospectus and of the Purchase Application Form for your records.

SIGNATURES/AUTHORIZATION – COMPANY/NOMINEE/INSTITUTION APPLICANT

DIRECTOR ____________ **SECRETARY** ____________

SIGNATORY ____________ **DATE & TIME** ____________

COMPANY STAMP

SIGNATURES/AUTHORIZATION – INDIVIDUAL APPLICANTS

PRIMARY ACCOUNT HOLDER # 1 ____________ **JOINT ACCOUNT HOLDER # 1** ____________

JOINT ACCOUNT HOLDER # 2 ____________ **JOINT ACCOUNT HOLDER # 3** ____________

DATE AND TIME ____________

OFFER CLOSES ON 28 JUNE 2017 AT 4 PM

BROKER / DISTRIBUTOR SIGNATURE ____________ **DATE & TIME** ____________

BROKER / DISTRIBUTOR STAMP

PURCHASE APPLICATION FORM (Continued)

TERMS AND CONDITIONS

a. I/We agree that this application made by way of submitting a Purchase Application Form shall not be binding on me/us if I/We provide written notice to the Lead Stockbroker or any authorized stockbroker, within two business days after submission of this application that I/We intend to withdraw my/our application. This written notice should be addressed and delivered to the Lead Stockbroker or any authorized stockbroker.

b. I/We apply for the Securities Offered as indicated in this form (or such lesser number of Securities Offered as may be allotted to me/us) on the terms and conditions of the Prospectus. If the Securities Offered are allotted to me/us, I/We hereby instruct the Authorized Stockbroker to proceed with any necessary actions in order to establish a valid account, as provided overleaf, with the Trinidad and Tobago Central Depository to receive the allotted Securities.

c. Multiple applications and suspected multiple applications may be rejected at the full and absolute discretion of NGC. Applications will be deemed to be considered multiple applications:

(i) if the Investor's name appears on more than one application whether individually or jointly, and whether submitted directly by the Investor or through a custodian acting on his/her behalf; or

(ii) if the Investor is also a shareholder in a Non-Public Company, where the company is also an Investor.

In the case of multiple applications, the first application, in date and in time, for the Investor which has been fully processed, may be accepted and all other multiple applications may be rejected at the full and absolute discretion of NGC.

d. Subject to (a) above, I/We undertake to buy the said number of Securities Offered set out in the front of this application and shall not revoke this application.

e. If the Investor is a Company, I/We attach or agree to provide a list of persons authorized to sign on behalf of the Investor.

f. If the Investor is a Non-Public Company, I/We agree to submit the most recent annual return.

g. If the Investor is a Company, other than registered insurance companies, licensed financial institutions, and companies listed on regulatory exchanges, classified in category 5 in the table in clause l, I/We attach or agree to provide a list of registered shareholders as at the application date along with their respective date of birth or date of incorporation.

h. I/We certify that this application is the only application for the Securities Offered under the Offer submitted by me/us; and no application for Securities Offered under the Offer is being submitted by a custodian on my/our behalf.

i. If I am/We are completing this application as a custodian, I/We certify that:

i. I/We hold the Securities Offered directly or indirectly as a custodian for beneficial owners;
ii. the beneficial owners for which I am/We are holding those Securities Offered as custodian is set out in the front of this application;
iii. the beneficial owner on whose behalf I am/We are submitting this application is named on the front of this form and is an investor who is qualified in one of the categories listed in (l) below, and that the beneficial owner has instructed me/us to apply for and accept, under this Offer, the number of shares set out on the front of this application;
iv. the beneficial owner on whose behalf I am/We are submitting this application is not making an application on his/its own as an eligible investor.

j. I/We certify that all supporting documents (source of funds, etc.) submitted with this application are true and correct.

k. I/We understand that the trading value of the Securities Offered is not guaranteed as they can fluctuate.

l. If the Offer is oversubscribed, consistent with the Company's policy of promoting the widest possible participation in share ownership, priority to receive the allocation applied for up to the limits noted (as a percentage of the maximum Offer) shall be given in descending order of priority to the categories identified below:

1	Individual Investors	60.0%
2	Registered Mutual Funds, including the Trinidad & Tobago Unit Trust Corporation	10.0%
3	Registered Pension and other Trust Funds, Credit Unions and Cooperatives, and National Enterprises Limited	15%
4	National Insurance Board of Trinidad & Tobago and other National Insurance Schemes of other countries	10.0%
5	Other Companies	5.0%

m. Applications may be rejected at the full and absolute discretion of NGC for the reasons including, but not limited to the following:

i. If the application for purchase is incomplete;
ii. If it is discovered that the Investor has submitted multiple applications, such that the Investor's name appears on more than one application whether individually or jointly, and whether submitted directly by the Investor or through a custodian acting on his/her/its behalf; or the Investor is also a shareholder in a Non-Public Company, where the company is also an Investor;
iii. If the Investor's identity is fictitious and not supported by valid identification;
iv. If the Investor is not classified into one of the approved categories of investors; and
v. If the application for purchase, as presented, contravenes any existing law or statute.

NOTES

1. A company may execute this application either under its common seal or under the hand of a duly authorized officer, who should state his capacity, and supply a list of authorized signatories. It should insert its registered or head office address.
2. If this form is signed under power of attorney, a duly certified copy thereof, must accompany this form.
3. No certificates for registered holdings will be issued. Quarterly statements will be sent by post to the Investor's address provided that there is activity on the Trinidad and Tobago Central Depository account during the quarter. If there is no activity, a statement will be sent out annually, beginning December 2017.
4. When this Purchase Application Form is duly completed, it must be delivered to the Lead Stockbroker:

   Republic Securities Limited
   2nd Floor, Promenade Center
   72 Independence Square
   Port of Spain.
   Tel: (868) 623-0435/36/38/39
   Fax: (868) 623-0441
   Website: https://rsltt.com

5. A copy of the Prospectus can be obtained at Republic Securities Limited, other stockbrokers, www.rsltt.com and www.ngl.co.tt

Our Energy is your Wealth

Additional Public Offering

P R O S P E C T U S

Trinidad and Tobago NGL Limited

A subsidiary of THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED

Trinidad and Tobago NGL Limited
Orinoco Drive
Point Lisas Industrial Estate
Couva
Tel: (868) 636-1098
Fax: (868) 636-1099
Website: www.ngl.co.tt
Email: ttngl@ngc.co.tt