Trinidad and Tobago NGL Limited

SUMMARY INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

CHAIRMAN'S STATEMENT

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

For the first half of 2023, PPGPL recorded a loss after tax of US$0.8 million, which was primarily driven by lower sales volumes and lower recognised Mont Belvieu natural gas liquids ('NGLs') prices. NGL prices continued their declining trend in 2023 and were 37.7% lower than prices recognised in the comparable 2022 period. Prices were lower year-to-date primarily because of weaker winter NGL demand caused by a warmer than expected US winter. Prices were further dampened by increasing US NGL production and falling exports. These factors have kept US NGL inventories above the five-year average and exerted downward pressure on prices. It is important to note that over 60% of PPGPL's sales revenue variance for 2023 was a result of lower product prices.

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

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

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

Dr Joseph Ishmael Khan, Chairman

SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

TT$'000

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

SUMMARY STATEMENT OF FINANCIAL POSITION

TT$'000

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

NOTES TO THE SUMMARY INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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

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

3. Currency
All monetary amounts are stated in Trinidad and Tobago dollars.

SUMMARY STATEMENT OF CHANGES IN EQUITY

TT$'000

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

SUMMARY STATEMENT OF CASH FLOWS

TT$'000

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

Director **Director**