Trinidad and Tobago NGL Limited

SUMMARY FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

CHAIRMAN'S STATEMENT

For the nine months ended 30 September 2023, Trinidad and Tobago NGL Limited ('TTNGL'/'Company') recorded an after-tax profit of TT$32.7 million. Whilst this was a TT$132.4 million decrease when compared to the comparable period in 2022, it represented a marked improvement over the first half of the year. Earnings per share for the period were TT$0.21, compared to TT$1.07 for the corresponding period in 2022, a decrease of TT$0.86.

Externalities

For the nine months ended 30 September 2023, PPGPL recorded a profit after tax of US$12.8 million compared to US$63.2 million for 2022. This performance was determined by lower sales volumes and lower recognised Mont Belvieu natural gas liquids ('NGLs') prices. NGL prices continued the declining trend in 2023 (36.6% lower than prices recognised in the comparable 2022 period) and was principally due to increasing US NGL production and falling exports, coupled with weaker NGL demand caused by a warmer than expected US winter. The resulting higher US NGL inventories remains above the five-year average and exerted downward pressure on prices. It is important to note that 60% of PPGPL's sales revenue variance for 2023 was a result of lower product prices.

Performance at PPGPL's North American-based subsidiary, Phoenix Park Trinidad and Tobago Energy Holdings Limited ('PPTTEHL') was also impacted by warmer winter weather and lower demand for growing US inventories. Notwithstanding, sales volumes for the review period stood at 15,089 barrels per day, 7.8% above the 2022 level and was a key driver for improved performance in 2023.

Local market

NGL sales volumes in the Trinidad market were 29.9% below 2022 and driven by lower production. NGL production from gas processing was lower by 21.4% compared to 2022 and was a result of lower gas volumes processed by PPGPL coming out of primarily plant downtime to facilitate planned maintenance turnaround at the facility in May 2023.

Outlook

While PPPGL's performance has improved and there is an expectation of a continuing upward trajectory, the challenges of uncertainties around gas supply, climate variability and shifting market demand persist. PPGPL remains focused on its core values and the creation of long-term sustainable growth.

We remain resilient in delivering value to shareholders and are confident of the performance of PPGPL and TTNGL and our ability to navigate the road ahead. I want to thank our shareholders for the trust you continue to show in our growth strategies and leadership as we work to deliver value for you the shareholder, and the wider Trinidad and Tobago.

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 Sept 2023 $'000	Three months ended 30 Sept 2022 $'000	Nine months ended 30 Sept 2023 $'000	Nine months ended 30 Sept 2022 $'000	Year ended 31 Dec 2022 $'000
Income					
Share of profit from investment in joint venture	35,812	48,189	33,690	166,621	168,053
Interest Income	30	26	85	79	96
Foreign exchange (loss)/gain	-	(118)	-	130	130
Total income	**35,842**	**48,097**	**33,775**	**166,830**	**168,279**
Expenses					
Impairment loss	-	-	-	-	(562,448)
Legal and professional fees	(387)	(222)	(869)	(839)	(1,221)
Other expenses	55	(246)	(156)	(646)	(1,192)
Profit/(loss) before tax	35,510	47,629	32,750	165,345	(396,582)
Income tax (expense)/credit	(1)	-	(1)	(198)	2
Profit/(loss) after taxation	**35,509**	**47,629**	**32,749**	**165,147**	**(396,580)**
Other comprehensive income:					
Exchange translation differences, net of tax	(186)	(8,945)	1,770	(9,827)	(5,974)
Other comprehensive (loss)/income	(186)	(8,945)	1,770	(9,827)	(5,974)
Total comprehensive income/(loss)	**35,323**	**38,684**	**34,519**	**155,320**	**(402,554)**
Earnings/(loss) per share					
Basic (dollars per share)	**0.23**	**0.31**	**0.21**	**1.07**	**(2.56)**

SUMMARY STATEMENT OF FINANCIAL POSITION

TT$'000

	Unaudited	Unaudited Restated	Audited
	30 Sept 2023 $'000	30 Sept 2022 $'000	31 Dec 2022 $'000
Non-current assets			
Investment in joint venture	1,600,256	2,185,269	1,588,588
Total non-current assets	**1,600,256**	**2,185,269**	**1,588,588**
Current assets			
Tax recoverable	314	390	314
Cash at bank and on hand	128,380	66,435	105,547
Total current assets	**128,694**	**66,825**	**105,861**
Total assets	**1,728,950**	**2,252,094**	**1,694,449**
Equity			
Share capital	2,772,120	2,772,120	2,772,120
Translation reserve	147,022	141,399	145,252
Retained deficit	(1,193,744)	(664,766)	(1,226,493)
Total shareholder's equity	**1,725,398**	**2,248,753**	**1,690,879**
Current liabilities			
Due to parent company/related party	70	124	142
Trade and other payables	3,482	3,217	3,428
Total liabilities	**3,552**	**3,341**	**3,570**
Total equity and liabilities	**1,728,950**	**2,252,094**	**1,694,449**

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 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 10 November 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 nine months ended 30 September 2023				
Balance at 1 January 2022	2,772,120	145,252	(1,226,493)	1,690,879
Profit for the period	-	-	32,749	32,749
Other comprehensive income	-	1,770	-	1,770
Total comprehensive income	-	1,770	32,749	34,519
Dividends	-	-	-	-
Balance at 30 September 2023	**2,772,120**	**147,022**	**(1,193,744)**	**1,725,398**
Unaudited nine months ended 30 September 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 period	-	-	165,147	165,147
Other comprehensive loss	-	(9,827)	-	(9,827)
Total comprehensive income	-	(9,827)	165,147	155,320
Dividends	-	-	(131,580)	(131,580)
Balance at 30 September 2022	**2,772,120**	**141,399**	**(664,766)**	**2,248,753**
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
	Nine months ended 30 Sept 2023 $'000	Nine months ended 30 Sept 2022 $'000	Year ended 31 Dec 2022 $'000
Cash flows from operating activities			
Profit/(loss) for the period/year before taxation	32,750	165,345	(396,582)
Impairment loss	-	-	562,448
Dividends from joint venture	23,688	65,848	105,286
Interest income	(85)	(79)	(96)
Share of income from investment in joint venture	(33,690)	(166,621)	(168,053)
	22,663	64,493	103,003
(Decrease)/increase in amount due to related party	(72)	104	122
Increase in trade and other payables	54	1,671	1,833
Cash flows generated from operating activities	22,645	66,268	104,958
Taxation received	-	29	29
Taxation paid	(1)	(274)	(1)
Net cash flow generated from operating activities	**22,644**	**66,023**	**104,986**
Cash flows from financing activities			
Dividends paid	-	(131,580)	(131,580)
Net cash used in financing activities	**-**	**(131,580)**	**(131,580)**
Cash flows from investing activities			
Interest and other investment income	85	79	96
Net cash generated from investing activities	**85**	**79**	**96**
Net increase/(decrease) in cash at bank and on hand	**22,729**	**(65,478)**	**(26,498)**
Net foreign exchange differences	104	(348)	(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	**128,380**	**66,435**	**105,547**

Chairman **Director**