



Trinidad and Tobago NGL Limited

TTNGL safe from Train 1 effects

Trinidad and Tobago NGL Limited ('TTNGL' or 'Company') is an investment holding company that is owned 75% by the public of Trinidad and Tobago and 25% by The National Gas Company of Trinidad and Tobago Limited ('NGC'). TTNGL's primary asset is its 39% shareholding in Phoenix Park Gas Processors Limited ('PPGPL'). The Company's main source of income is dividends derived from the operations of PPGPL.

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

The public is advised that as a consequence of its commercial and operating structure, the performance of PPGPL will be marginally impacted should a cessation in delivered Natural Gas Liquids ('NGLs') volumes from Atlantic LNG Train 1 materialize in 2020 and 2021. BPTT's public pronouncements have not indicated any significant decline in natural gas supplies to Train 1 in 2019. Any potential decline in NGL volumes from Train 1 in 2020 and beyond (propane and butane in particular) can be substituted with NGLs derived from PPGPL's Product Trading operations to ensure continued supply to its markets.

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

- Revenue from the processing of natural gas supplied by NGC for delivery to petrochemical and other industrial consumers. This revenue is derived by extracting of NGLs from the gas stream, fractionating the NGLs into the component products, retaining and marketing these products. This operation is the largest contributor to PPGPL's after-tax earnings.
- Revenue generated from fractionating NGLs purchased from Atlantic LNG Train 1 and Atlantic LNG Trains 2/3 and marketing or delivery of these products. PPGPL earns a fixed margin from this operation and in **2018 Train 1 NGLs accounted for 3.4% of PPGPL's after-tax profits.**
- Third party processing/capacity fees under arrangements with Atlantic LNG Train 4 for NGL processing and Petrotrin for the supply of iso-butane.

Consistent with best practices, PPGPL will continuously assess these impacts and provide the appropriate advisories to TTNGL. Finally, and as a shareholder of PPGPL, we also note the progress of PPGPL's internationalization agenda which is expected to improve PPGPL's financial results.

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