Unaudited Interim Condensed Financial Statements For the Three Months Ended 31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

Chairman's Report

On behalf of the Board of Directors, I am pleased to present the Unaudited Interim Condensed Financial Statements for the three months ended December 31st, 2021, for Paria Fuel Trading Company Limited (Paria), which demonstrate continued success as a profitable, thriving business enterprise. Paria's successful first quarter performance for financial year 2022 was achieved in a market environment of increasing price volatility, and increased prices for crude oil and refined products.

During the period in review, Paria provided a competitive supply of products and improved regional sales volumes as the market recovered from Covid-19 demand destruction. Paria consistently maintained a reliable and uninterrupted fuel supply to the nation despite the new emerging market challenges such as increasing freight, tight supply and higher product prices which are reflected in the Company's revenue whilst volatility and supply constraints continue to affect margins. The market environment is projected to continue to be volatile with distillate product supply forecasted to be tight, requiring prudent strategies for the purchase and sale of liquid fuels.

The financial statements for the three-month period ended December 31st, 2021, were prepared on a going-concern basis. This differs from the comparator three-month period which presented Paria as a non-going concern (Asset Held for Sale) entity. This change in status was necessary as the criteria under International Financial Reporting Standards 5 – Non-current Assets Held for Sale and Discontinued Operations were no longer met for Paria's assets as of September 30th, 2021.

The impact of this change is as follows:

1. Included in the results for the three months ended December 31st, 2021, are deprecation and finance charges for the period which are included in the statement of comprehensive income. This non-cash cost is TT$41 million and is included in Cost of Sales and Finance Cost.

For the three-month period ended December 31st, 2021, Paria recorded TT$2.82 billion (2020: TT$1.47 billion) in revenue and a profit for the year of TT$59 million (2020: TT$92 million). Although Paria saw an increase in revenue of 91% in the three-month period ending December 31st, 2021 over the same period for the prior year quarter, the profit for the year reduced by 35%. This decrease in profit over the similar period last year was partly attributable to the change in the accounting status of the Company from a non-going concern (Asset Held for Sale) entity to a going concern entity and the resulting deprecation and finance charge on assets and liabilities in the amount of TT$41 million.

These results have been accomplished whilst ensuring:

a. Our local market was adequately supplied with fuel. Of the total 4.06 million (2020: 3.68 million) barrels of product sold, 1.80 million (2020: 1.79 million) barrels or 44.23%, were supplied to the local market for the three-month period ending December 31st, 2021.

b. Paria's terminalling and logistics performed a pivotal role in the handling and exportation of crude from our sister company Heritage Petroleum Company Limited (Heritage). Of the port throughput handled by the port of 7.14 million (2020: 7.34 million) barrels during this fiscal year, 3.08 million (2020: 3.66 million) barrels or 43.16 % was crude oil from Heritage.

c. Continuous investment to improve the mechanical integrity of our terminalling assets and port facilities to maintain a safe and efficient supply of fuel to our customers. For the three-month period ended December 31st, 2021, expenditure on capital projects was TT$1.8 million (2020: TT$10.9 million).

As we look ahead, the Board of Directors and Management continue to focus on business efficiency and cost optimisation underscored by sound HSE principles. In addition, the focus on asset restoration and refurbishment has been renewed and as the year progresses there will be continued investment in the asset through both the capital and non-recurrent expenditure programmes. The Board of Directors and Management look forward to another successful year and thank the staff for their continued contribution and commitment to making Paria a successful business.

Newman K George.

Newman George
Chairman

PARIA FUEL TRADING COMPANY LIMITED

Unaudited Interim Condensed Financial Statements For the Three Months Ended 31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	31 December 2021 Unaudited $	30 September 2021 Audited $
ASSETS			
Non-current assets			
Property plant and equipment	9	623,191	646,254
Right of use assets		45,588	28,956
Deferred tax assets		96,841	91,650
		765,620	766,860
Current assets			
Inventories	6	606,745	529,679
Trade and other receivables		554,503	467,251
Due from related parties	7	846,678	736,987
Cash and cash equivalents	8	407,689	593,885
Total assets		3,181,235	3,094,662
Capital and reserves			
Stated capital		–	–
Retained earnings		561,787	502,475
Currency translation differences		3,645	3,884
Total equity		565,432	506,359
LIABILITIES			
Non-current liabilities			
Decommissioning provision	10	565,860	558,248
Lease liabilities		26,269	23,715
Deferred tax liabilities		24,985	24,391
		617,114	606,354
Current liabilities			
Trade and other payables		566,451	641,639
Due to related parties	7	1,231,306	1,201,824
Taxation payable		180,893	132,712
Lease liabilities		20,039	5,774
Total current liabilities		1,998,689	1,981,949
Total liabilities		2,615,803	2,588,303
Total equity and liabilities		3,181,235	3,094,662

On 14 April 2022, the Board of Directors of Paria Fuel Trading Company Limited authorised these interim condensed financial statements for issue.

The accompanying notes form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Notes	31 December 2021 Unaudited $	31 December 2020 Unaudited $
Revenue from contracts with customers	11	2,820,411	1,473,207
Cost of sales		(2,620,992)	(1,276,530)
Gross profit		199,419	196,677
Administrative expenses		(32,090)	(17,090)
Operating expenses		(57,817)	(40,385)
Operating profit		109,512	139,202
Net finance costs		(7,217)	(560)
Profit before taxation		102,295	138,642
Taxation	12	(42,983)	(46,651)
Profit for the period		59,312	91,991
Other comprehensive loss			
Items that would not be reclassified to profit or loss			
Currency translation differences		(239)	(3,386)
Total comprehensive income for the period		59,073	88,605

The accompanying notes form an integral part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 DECEMBER 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

	Stated capital Unaudited $	Retained earnings Unaudited $	Currency translation differences Unaudited $	Total Unaudited $
Three months ended 31 December 2021				
Balance at 1 October 2021	–	502,475	3,884	506,359
Profit for the period	–	59,312	–	59,312
Other comprehensive loss for the period	–	–	(239)	(239)
Total comprehensive income/(loss) for the period	–	59,312	(239)	59,073
Balance at 31 December 2021 (Unaudited)	–	561,787	3,645	565,432
Three months ended 31 December 2020				
Balance at 1 October 2020	–	340,451	11,002	351,453
Profit for the period	–	91,991	–	91,991
Other comprehensive loss for the period	–	–	(3,386)	(3,386)
Total comprehensive income/(loss) for the period	–	91,991	(3,386)	88,605
Balance at 31 December 2020 (Unaudited)	–	432,442	7,616	440,058

The accompanying notes form an integral part of these interim condensed financial statements.

PARIA FUEL TRADING COMPANY LIMITED

Unaudited Interim Condensed Financial Statements For the Three Months Ended 31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars)

	31 December 2021 Unaudited $	30 December 2020 Unaudited $
Operating activities		
Profit before taxation	102,295	138,642
Adjustments to reconcile profit to net cash from operating activities		
Depreciation	33,759	–
Finance costs, net	7,217	211
Net change in operating assets and liabilities		
Increase in inventory	(77,066)	(137,683)
(Increase)/decrease in trade and other receivables	(87,252)	2,577
Increase in due from related parties	(109,691)	(64,545)
(Decrease) in trade and other payables	(75,188)	(5,377)
Increase/(decrease) in due to related parties	29,482	(168,616)
Taxes paid	–	211
Finance costs paid, net	(736)	(14,194)
Net cash used in operating activities	(177,180)	(248,774)
Investing activity		
Purchase of property, plant and equipment	(1,849)	(10,655)
Net cash used in investing activity	(1,849)	(10,655)
Financing activities		
Lease payments	(7,509)	(1,595)
Net cash used in financing activities	(7,509)	(1,595)
Currency translation differences	342	(9,778)
Net decrease in cash and cash equivalents	(186,196)	(270,802)
Cash and cash equivalent, at the beginning of the period	593,885	1,032,452
Cash and cash equivalent, at the end of the period	407,689	761,650

The accompanying notes form an integral part of these interim condensed financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars)

1. Incorporation and principal activity

Paria Fuel Trading Company Limited (“Paria” or “the Company”) was incorporated in the Republic of Trinidad and Tobago on 5 October 2018. Paria is primarily engaged in importation and distribution of refined fuel, petroleum products trading and receiving, handling and preparation of cargo (terminalling). The sole shareholder is Trinidad Petroleum Holdings Limited (TPHL). The ultimate parent is the Government of the Republic of Trinidad and Tobago (GORTT). The registered office is 9 Queen’s Park West, Port of Spain, Trinidad and Tobago, West Indies.

Prior to Paria’s formation, its terminalling activities were conducted by a related party, Petroleum Company of Trinidad and Tobago Limited (Petrotrin). Petrotrin undertook a restructuring in 2018 and by virtue of the Miscellaneous Provisions (Heritage Petroleum Company Limited (Heritage), Paria Fuel Trading Company Limited (Paria), Guaracara Refining Company Limited (Guaracara) Vesting) Bill, 2018, (“Vesting Act”); effective 1 December 2018, Petrotrin’s assets relative to terminalling operations were vested in Paria. Petrotrin’s assets related to exploration and production and refinery operations were vested to Heritage and Guaracara respectively. The associated decommissioning and dismantlement obligations in respect of terminalling, E&P and refining operations were also transferred to the respective entities. As a result of the transfers of assets and liabilities, this gave rise to a corresponding liability to Petrotrin. The carrying amounts of the assets and liabilities were accounted for using the predecessor valuation method because they arose from a common-control transaction. The ultimate ownership of Paria is Corporation Sole.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements as at 30 September 2021.

2. Basis of presentation

The interim condensed financial statements for the three months ended 31 December 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting.

Going concern

The Company has prepared the interim condensed financial statements on the basis that it will continue to operate as a going concern.

The going concern basis assumes the Company will be able to meet its legal and financial obligations. The validity of the going concern basis is dependent on finances being available for the continuing working capital requirements of the Company for the foreseeable future, being a period of at least twelve months from the reporting date of the interim condensed financial statements.

The ongoing operations of the Company are dependent on its ability to utilise effectively its cash reserves and the Directors recognize that the continuing operations of the Company requires the optimisation of planned activities to preserve cash.

Paria (as well as Heritage and Guaracara) is a Guarantor of the parent company’s, (TPHL’s), senior secured and unsecured debt obligations. Collectively, Paria, Heritage, TPHL and Guaracara are the Loan Parties.

TPHL and the Guarantors are currently in default of certain covenants of the Credit Agreement and Indenture.

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Unaudited Interim Condensed Financial Statements For the Three Months Ended 31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2021 (CONTINUED)
(Expressed in Thousands of Trinidad and Tobago Dollars)

2. Basis of presentation (continued)

Going concern (continued)

The Directors and Management have been advised that the Loan Parties, in consultation with the Administrative Agent of the Lenders, have approved a plan to address such defaults with the Lenders by applying for waivers and consents. Additionally, management has concluded a Request for Proposal (RFP) process as part of the TPHL Group Refinancing currently being undertaken. The refinancing is expected to be completed within twelve months of the approval of these financial statements. The Group believes that these waivers and consents will be granted by the Lenders. The Loan Parties worked with the Lenders to successfully execute a waiver in 2020 for similar previous events of default under the Credit Agreement. With this precedent, combined with the positive nature of discussions between the Loan Parties and the Lenders to date, the directors and Management are of the view that there is a strong likelihood that the execution of the waivers for the current events of default, is expected within twelve months of the approval of these interim condensed financial statements.

TPHL and the Guarantors, through their quarterly compliance reporting process have kept the Administrative Agent of the lenders apprised of these recent “events of default”. The Board and Management working jointly with the Administrative Agent of the Lenders have agreed and approved a plan to address these “events of default” as part of the current TPHL Group refinancing process being undertaken which is expected to be completed within twelve months of the approval of these financial statements.

The current defaults can be divided in three different groups.

First, failure by TPHL to deliver its audited consolidated financial statements for the period ended 30 September 2019, which triggered an event of default under the Credit Agreement and a default under the Indenture (the “FS Default”).

Second, the Loan Parties have performed certain actions as part of their operations that are not permitted to be performed during the period in which a default or event of default has occurred and has continued to occur. Such actions include, but are not limited to, incurring capital expenditures relating to exploration and for the development of proved, undeveloped reserves and making investments in Petrotrin for the payment of interest in respect of Petrotrin’s short-term debt. Because the Loan Parties have performed such actions during the FS Default, other defaults and/or events of defaults have been triggered under the Credit Agreement and/or the Indenture.

Third, the Loan Parties have failed to comply with certain other covenants under the Credit Agreement that are unrelated to the occurrence and continuance of the FS Default, including, making certain investments in Petrotrin, which payments constitute restricted payments. These actions have triggered defaults and/or events of defaults under the Credit Agreement.

In addition, an event of default under the Credit Agreement may, under certain circumstances, trigger an event of default under the Indenture. Similarly, a default under the Indenture may under certain circumstances trigger an event of default under the Credit Agreement.

Under the Indenture, a default resulting from the failure to comply with the covenants thereunder (other than a payment default) is not an “event of default” until the Trustee (at the direction of Holders holding more than 50% in aggregate principal amount of the Notes) or the Holders holding more than 25% in aggregate principal amount of the Notes then outstanding notifies TPHL (and in the case of such notice by Holders, the Group and the Trustee) of the default and TPHL does not cure such default within the time specified after receipt of such notice. No such Notice of Default has been received by TPHL as of the approval date of these interim condensed financial statements. However, an event of default exists under the Indenture’s cross-default provision resulting from the events of default existing under the Credit Agreement.

Notwithstanding the above, (i) the consent of Lenders holding more than 50% of the aggregate principal amount of the Loans is still required to accelerate the Loans under the Credit Agreement, and (ii) the Holders holding more than 25% in aggregate principal amount of the Notes then outstanding still need to direct the Trustee to, in which case the Trustee by written notice to the Group, or the Required Holders by written notice to the Group and the Trustee may, declare the principal and accrued and unpaid interest on all the Notes to be due and payable. Upon such a declaration, such principal and interest shall be due and payable immediately. It is important to note that no such consent on the part of the Lenders or direction on the part of the Holders has occurred.

Additionally, only the voting creditors holding more than 50% of the aggregate principal of the claims outstanding (i.e., combined exposure of loans and bonds) shall be entitled to enforce on the collateral.

It should be noted that none of the events of default under the Credit Agreement or Indenture are debt service or payment related defaults, as Heritage on behalf of TPHL continues to make all interest and principal payments under the terms of the Credit Agreement and the Indentures during 2021 and 2022 noted below.

In addition, the directors have obtained a letter of financial support from its ultimate Parent, GORTT, which can be called upon if needed to meet its legal and financial obligations as they fall due.

	Credit Agreement $	Indenture $	Total $
Payments in 2021			
Interest	267,238	459,898	727,136
Principal	749,658	140,044	889,702
Total	1,016,896	599,942	1,616,838
Payments made since 1 October 2021 to 31 March 2022			
Interest	128,531	242,871	371,402
Principal	390,736	70,057	460,793
Total	519,267	312,928	832,195

3. Summary of significant accounting polices

New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 30 September 2021, except for the adoption of new standards effective as of 1 October 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 3: Definition of a Business - The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. This amendment had no impact on the interim condensed financial statements of the Company.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform - The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments had no impact on the Company’s interim condensed financial statements as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8: Definition of Material - The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the Company’s interim condensed financial statements.

Conceptual Framework for Financial Reporting issued on 29 March 2018 - The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the Company’s interim condensed financial statements.

PARIA FUEL TRADING COMPANY LIMITED

Unaudited Interim Condensed Financial Statements For the Three Months Ended 31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2021 (CONTINUED)
(Expressed in Thousands of Trinidad and Tobago Dollars)

3. Summary of significant accounting polices (continued)

New standards, interpretations and amendments adopted by the Company (continued)

COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases

The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

The Company has not received COVID-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

4. Functional and presentation currency

Items included in the interim condensed financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The United States dollar is the Company's functional currency. The interim condensed financial statements are presented in Trinidad and Tobago dollars, rounded to the nearest thousand, which is the Company's presentation currency.

5. Financial risk management

(a) Credit risk

The following is a summary of the Company's maximum exposure to credit risk:

	Fully performing	Past due	Impaired	Provision for impairment	Total
31 December 2021 (Unaudited)	**$**	**$**	**$**	**$**	**$**
Cash and cash equivalents	407,689	–	–	–	407,689
Trade receivables (excluding prepayments)	394,645	153,865	–	–	548,510
Due from related parties	628,888	217,790	–	–	846,678
	1,431,222	371,655	–	–	1,802,877
30 September 2021 (Audited)					
Cash and cash equivalents	593,885	–	–	–	593,885
Trade receivables (excluding prepayments)	374,421	84,136	–	–	458,557
Due from related parties	473,064	263,923	–	–	736,987
	1,441,370	348,059	–	–	1,789,429

The Company does not hold any collateral in relation to these assets.

The Company recognises a provision for losses for assets subject to credit risk using the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no ECL was determined necessary for these balances.

The simplified approach
The Company applies the IFRS 9 simplified approach to measuring expected credit losses for Trade Receivables. The simplified approach eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

No ECL is applied on balances due from related parties as the Company expects to recover the full amount of these receivables. Refer to Note 7.

Subsidies are expected to be remitted by the customers, NPMC, a related party, and UNIPET, to the Company when they receive the funds from the Ministry of Finance. Disbursement of subsidies is triggered by the remittance of funds from the Ministry of Finance (GORTT) to the respective parties, which is subsequently paid to the Company. Management believes that this sum will be settled regardless of the lapse in time by GORTT, as such the past due subsidy receivables are not included in the determination of the Company's ECL. At 31 December 2021 amounts due to the Company in relation to subsidies from third and related party sales amounted to $558 million (September 2021: $462 million), which are included in trade receivable and due from related parties in the statement of financial position.

(b) Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	31 December 2021 (Unaudited)	31 September 2021 (Audited)
Financial assets	**$**	**$**
Due from related parties	846,678	736,987
Trade & other receivables (excluding prepayments)	548,510	458,557
Cash at bank	407,689	593,885
	1,802,877	1,789,429
Financial liabilities		
Trade payables and other payables	566,451	641,639
Lease liabilities	46,308	29,489
Due to related parties (excluding statutory obligations)	1,168,385	1,162,237
	1,781,444	1,833,365

The carrying value of these financial assets and financial liabilities approximate to their fair values.

The Company has no liabilities at fair value through profit or loss.

	31 December 2021 (Unaudited)	30 September 2021 (Audited)
6. Inventories	**$**	**$**
Refined products	614,600	537,534
Inventory – spares	44	44
Provision for refined products	(7,899)	(7,899)
	606,745	529,679

paria FUEL TRADING COMPANY LIMITED

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(Expressed in Thousands of Trinidad and Tobago Dollars)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2021 (CONTINUED)
(Expressed in Thousands of Trinidad and Tobago Dollars)

7. Transactions with related parties

(a) Key management personnel compensation

Key management personnel are those having authority and responsibility for planning, directing and controlling the Company, including executive officers. Key management compensation consists of the following:

	For the 3 months ended 31 December 2021 (Unaudited) $	2020 (Unaudited) $
Short – term employee benefits	1,111	1,111
Short – term director fees	78	67
Long – term employee benefits	24	24
	1,213	1,202

(b) Transactions with related parties

Sales of goods or services

National Petroleum Company of T&T	1,072,758	600,491
The Guaracara Refining Company	546	395
Heritage Petroleum Company Limited	21,039	20,821
National Petroleum Company (Dominica)	7,326	2,041
	1,101,669	623,748

Purchases of goods or services

Petroleum Company of Trinidad & Tobago	1,706	1,046
Trinidad Petroleum Holdings Limited	771	771
The Guaracara Refining Company	1,866	216
	4,343	2,033

(c) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31 December 2021 (Unaudited) $	30 September 2021 (Audited) $
(i) Due from related parties		
Heritage	11,039	15,767
Guaracara	945	389
NPMC - Product	480,567	377,075
NPMC - Subsidy receivable	348,509	338,989
NPMC- Dominica	4,160	3,156
Ministry of Energy & Energy Industries	1,458	1,456
The Government of the Republic of Trinidad and Tobago (GORTT) - Taxes other than income taxes	–	155
	846,678	736,987
(ii) Due to related parties		
Heritage	381	529
Petrotrin	1,152,602	1,148,925
Guaracara	5,816	3,916
TPHL	9,586	8,811
NPMC	–	56
The Government of the Republic of Trinidad and Tobago (GORTT) - Taxes other than income taxes	62,921	39,587
	1,231,306	1,201,824

8. Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	31 December 2021 $ (Unaudited)	30 September 2021 $ (Audited)
Cash at bank and on hand	407,689	593,885

9. Property plant and equipment

	Buildings	Furniture & fittings	Berths	Marine communication	Marine vessels (Tugs)	Plant & Machinery	Capital work in Progress	Decommissioning asset	Total
Cost									
Balance as at 1 October 2021 (Unaudited)	7,310	527	118,282	113	738	420,711	28,080	378,930	954,691
Additions	–	–	–	–	–	–	1,849	–	1,849
Exchange difference	14	1	223	–	4	794	113	606	1,755
Transfers	–	–	–	–	–	5,693	(5,693)	–	-
Balance as at 31 December 2021 (Unaudited)	7,324	528	118,505	113	742	427,198	24,349	379,536	958,295
Accumulated depreciation and amortisation									
Balance as at 1 October 2021 (Unaudited)	(1,882)	(246)	(35,794)	(113)	(352)	(149,898)	–	(120,152)	(308,437)
Depreciation	(47)	(12)	(3,075)	–	(17)	(14,274)	–	(9,242)	(26,667)
Balance as at 31 December 2021 (Unaudited)	(1,929)	(258)	(38,869)	(113)	(369)	(164,172)	–	(129,394)	(335,104)
Net book amount (Unaudited)	5,395	270	79,636	–	373	263,026	24,349	250,142	623,191

FUEL TRADING
COMPANY LIMITED

Unaudited Interim Condensed Financial Statements
For the Three Months Ended 31 December 2021
(Expressed in Thousands of Trinidad and Tobago Dollars)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 DECEMBER 2021 (CONTINUED)
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9. Property plant and equipment (continued)

	Buildings	Furniture & fittings	Berths	Marine communication	Marine vessels (Tugs)	Plant & Machinery	Capital work in Progress	Decommissioning asset	Total
Balance as at 1 October 2020 (Audited)	–	–	–	–	–	–	–	–	–
Reclassification from assets held for sale *	7,315	527	118,369	113	739	380,276	44,833	589,107	1,141,279
Additions/(adjustment)	–	–	–	–	–	116	37,474	–	37,590
Revision of estimates (Note 10)	–	–	–	–	–	(16,587)	–	(204,613)	(221,200)
Exchange difference	(5)	–	(87)	–	(1)	1,614	1,065	(5,564)	(2,978)
Transfers	–	–	–	–	–	55,292	(55,292)	–	–
Balance as at 30 September 2021 (Audited)	7,310	527	118,282	113	738	420,711	28,080	378,930	954,691
Accumulated depreciation and amortisation									
Balance as at 1 October 2020 (Audited)	–	–	–	–	–	–	–	–	–
Reclassification from assets held for sale*	(244)	(35)	(4,342)	(37)	(97)	(18,179)	–	(22,641)	(45,575)
Depreciation	(1,638)	(211)	(31,452)	(76)	(255)	(131,719)	–	(97,511)	(262,862)
Balance as at 30 September 2021 (Audited)	(1,882)	(246)	(35,794)	(113)	(352)	(149,898)	–	(120,152)	(308,437)
Net book amount (Audited)	5,428	281	82,488	–	386	270,813	28,080	258,768	646,254

*As at 30 September 2021, the assets ceased to be classified as held for sale as the criteria was no longer met. The assets were therefore reclassified from assets held for sale to property plant and equipment.

10. Decommissioning provision

	31 December 2021 $ (Unaudited)	30 September 2021 $ (Audited)
Balance at 1 October	558,248	734,045
Revision of estimates	–	(221,200)
Unwinding of discount	5,877	47,145
Foreign exchange difference	1,735	(1,742)
Balance	565,860	558,248

11. Revenue from contracts with customers

	For the 3 months ended 31 December 2021 $ (Unaudited)	2020 $ (Unaudited)
Local		
Refined products	1,292,560	714,380
Bunkering	37,936	59,017
Other revenues from customers	36,554	28,811
Regional		
Refined products	1,248,605	577,995
Bunkering	204,756	93,004
	2,820,411	1,473,207

12. Taxation

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense for the three-month period in the interim condensed statement of comprehensive income are:

	For the 3 months ended 31 December 2021 $ (Unaudited)	2020 $ (Unaudited)
Corporation tax	47,580	46,651
Deferred income tax	(4,597)	–
Income tax expense	42,983	46,651

13. Contingent liabilities

(a) Guarantees

The Company (as well as Heritage and Guaracara) is a Guarantor of the parent company's, (TPHL's) senior secured and unsecured debt obligations comprising:

(i) US$603,000 Senior Secured Term Loan facility made up of a Tranche A and Tranche B with varying interest rates and principal repayment dates.

- Tranche A comprises a US$388,000 loan with a three (3) years tenor maturing 15 June 2022. Interest on this tranche is at US 3-month LIBOR plus step-up margins at different intervals and payable quarterly in arrears, commencing 15 September 2019. Principal will be amortised quarterly at five percent (5%) beginning 15 June 2021, with the remaining balance payable at maturity. As at 31 December 2021, the principal balance outstanding on Tranche A was US$305,706 (TT$2,067,339). The interest rate as at 31 December 2021 was 6.703%.

- Tranche B comprises a US$215 million loan with a seven (7) years tenor maturing on 15 June 2026. Interest on this tranche is at US 3-month LIBOR plus a margin and payable quarterly on the respective Tranche A interest payment dates. Equal principal amortisations are scheduled from 15 December 2020 and continue quarterly until maturity date. As at 31 December 2021, the principal balance outstanding on Tranche B was US$157,635 (TT$1,066,009). The interest rate as at 31 December 2021 was 6.703%.

(ii) US$570,265 9.75% Senior Secured Notes. Interest on these Notes is payable quarterly in arrears, commencing 15 September 2019 and the principal balance is due at maturity on 15 June 2026. As at 31 December 2021, the principal balance outstanding on these Notes was US$570,265 (TT$3,856,417).

(iii) 6.00% amortising Senior Unsecured Notes which mature on 8 May 2022. Principal amortisation and interest on these Notes are payable semi-annually in arrears on 8 May and 8 November, respectively. As at 31 December 2021, the principal balance outstanding on these Notes was US$10,369 (TT$70,120).

FUEL TRADING
COMPANY LIMITED

Unaudited Interim Condensed Financial Statements For the Three Months Ended 31 December 2021

(Expressed in Thousands of Trinidad and Tobago Dollars)

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FOR THE THREE MONTHS ENDED 31 DECEMBER 2021 (CONTINUED)
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13. Contingent liabilities (continued)

(a) Guarantees (continued)

As a guarantor on TPHL's Senior secured loan Paria is also required to comply with the following other obligations:

(i) Senior lenders have a first priority security interest under New York law and/or Trinidad and Tobago law as applicable over certain of the Group's assets including equipment and fixtures, inventory and receivables
(ii) Days Sales outstanding (DSO) defined as receivables outstanding at quarter end divided by gross sales or revenue for the quarter multiplied by number of days in the quarter shall not exceed sixty (60) days.
(iii) The Company is also subject to a number of negative covenants, including restrictions on the Company's ability to create liens, limitations on additional indebtedness, dividends and/or restricted payments, asset sales and sale and leaseback transactions, limitations surrounding capital expenditure and investments, transactions with Affiliates (including Petrotrin), negative pledges as well as conditions for mandatory prepayments.

14. Commitments

(a) Sales commitments

The Company has entered into sales contracts with a number of its customers. At the reporting date, these amounted to approximately $1.9 billion. This is for the delivery of contracted volumes. The selling price used to value the commitment is a formula based on Platt's reference price, which is then forecasted based on Petroleum Institute Research Associates forecasts. Sales price at the actual date of sale is based on the pricing formula referenced to the Platt's posting and can vary from the above estimate.

(b) Purchases commitments

Purchases commitments as at 31 December 2021 amounted to approximately $4.6 billion.

Product	Barrels ('000)	$'000 (Unaudited)
GasOil	1,380	856,534
GasOil (ULSD)	739	467,400
Mogas 95 RON	2,016	1,329,212
Mogas 92 RON	1,921	1,263,475
JET	686	423,594
Fuel Oil	450	268,082
Total	7,192	4,608,297

15. Events after the reporting period

On 25 February 2022, there was an incident at #36 Sealine Berth #6 at Paria involving five contractor employees from LMCS Limited. LMCS was contracted to perform maintenance work on #36 Sealine and while undertaking that work an event occurred that resulted in the five employees ending up in the 30" pipeline. Four of those employees lost their lives. The incident is under investigation by several different agencies, including the Occupational Safety and Health Authority and Agency and the Trinidad and Tobago Police Service. The Government has also announced that a Commission of Enquiry would be formed to investigate the circumstances that led to the death of the four workers.