



**TRINIDAD
GENERATION
UNLIMITED**

Redefining Energy

Third Floor, Colfire Building
128 Mulchan Seuchan Road
Chaguana, 501342
Trinidad and Tobago, W.I.
Tel: 1 (868) 665-9740
Fax: 1 (868) 665-9729

Exhibit A

Unaudited Financial Statements of the Company for the fiscal quarter ending June 30, 2018



TRINIDAD GENERATION UNLIMITED

RESULTS OF OPERATIONS FOR SECOND QUARTER APRIL 2018 – JUNE 2018

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RESULTS OF OPERATIONS FOR SECOND QUARTER APRIL 2018 – JUNE 2018



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Operations Report:

The second quarter's performance measured on key industry metrics relating to Health, Safety and Environment. The weighted Equivalent Availability (EA) indicates that the Company is on target to meet its annual goals target as per plan. The EA achieved for the quarter was lower than projected. This is as a result of higher than predicted Forced Outage Factor and rescheduling of the maintenance program, resulting in a higher Planned Outage Factor. At the end of the second quarter, the year to date EA stands at 93.75 percent. EBITDA for the period was 4% higher than projected, due to operating and administrative expenses being lower than projected. This is primarily due to the rescheduling of the Company's planned Steam Turbine Outage from March to July 2018. Total TGU headcount at the end of June 2018 was 68. There were no "Lost Time Incidents" (LTIs) for the quarter. Five (5) machine trips were recorded. The Root Causes were all identified and corrective actions implemented.

Outages were completed on GT 11 & 22 Annual Inspection, HRSG 11 & 22 Statutory Inspection and Hydrostatic Testing. In addition, to the outages corrective and preventative maintenance works are being conducted on the Air-Cooled Condensers in preparation for the annual Maximum Declared Net Capacity (MDNC) scheduled for August. The Steam Plant Outage is scheduled start on July 4th.

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Summary

Performance Measure	Apr Actual	May Actual	June Actual	Q2 Actual	Q2 Projected	Q3 2018 Projected	2018 YTD	2018 Goal
Equivalent Availability (%)	94.52	93.01	92.61	93.38	95.18	89.65	93.75	>93%
Forced outage Factor (%)	0.81	4.66	3.76	3.09	2.00	2.00	1.82	<2%
Maintenance Outage factor (%)	0.32	0.00	0.40	0.24	1.50	1.50	0.12	<1.5%
Planned Outage Factor (%)	4.35	2.33	3.23	3.29	1.32	6.85	4.31	<3.5%
Trips	3	0	2	5	0	0	8	<16
Heat Rate (BTU/kWhr)	7940	7989	8430	8120	*	*	8109	*
Mis Declarations	0	0	0	0	0	0	0	0
Requested Starts	1	1	1	3	2	4	3	<120

* Depends on plant configuration as guided by Off Taker, Trinidad and Tobago Electricity Commission ("T&TEC").

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Statement of Comprehensive Income for the Quarter ended June 30, 2018

TRINIDAD GENERATION UNLIMITED STATEMENT OF COMPREHENSIVE INCOME US\$'000				
	2018	2018		2017
	For the Quarter Ended	For the Period Ended	Notes	For the Year Ended
	June 30	June 30		December 31
	Unaudited	Unaudited		Audited
REVENUE				
Total Billings	27,730	55,065	1	108,028
Less: Lease Capital Transfer Net of Other Revenue	(1,223)	(2,135)	2	(4,728)
	<u>26,507</u>	<u>52,930</u>		<u>103,300</u>
EXPENSES: OPERATING AND ADMIN	(6,054)	(10,027)	3	(20,002)
EBITDA	20,453	42,903		83,298
DEPRECIATION	(1,971)	(4,011)	4	(6,706)
FINANCE EXPENSES	(9,614)	(19,238)	5	(38,733)
FINANCE INCOME	1,130	1,430	6	1,685
PROFIT BEFORE TAXES	<u>9,998</u>	<u>21,084</u>		<u>39,544</u>

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Statement of Financial Position as at June 30, 2018

TRINIDAD GENERATION UNLIMITED – STATEMENT OF FINANCIAL POSITION US\$'000		2018 For the Period Ended June 30, Unaudited	2017 For the Year Ended December 31, Audited
Non-current assets			
Property, plant and equipment		52,547	55,904
Net investment in leased assets		716,599	719,045
Deferred tax assets		66,765	74,318
		<u>835,911</u>	<u>849,267</u>
Current assets			
Cash and short-term deposits		113,536	121,687
Net investment in leased assets		5,603	5,296
Trade and other receivables		63,695	38,256
Due from related parties		254	254
Tax recoverable		81	81
Inventories		14,268	13,087
		<u>197,437</u>	<u>178,661</u>
TOTAL ASSETS		<u><u>1,033,348</u></u>	<u><u>1,027,928</u></u>
EQUITY AND LIABILITIES			
Stated capital		189,400	189,400
Retained earnings		20,352	16,092
		<u>209,752</u>	<u>205,492</u>
Non-current liabilities			
Deferred tax liabilities		224,141	225,204
Long term bond		582,523	581,864
		<u>806,664</u>	<u>807,068</u>
Current liabilities			
Trade and other payables		11,682	10,118
Bond Interest Payable		5,250	5,250
Dividends payable		-	-
Due to related parties		-	-
		<u>16,932</u>	<u>15,368</u>
Total liabilities		<u>823,596</u>	<u>822,436</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,033,348</u></u>	<u><u>1,027,928</u></u>

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Statement of Cash Flow

TRINIDAD GENERATION UNLIMITED STATEMENT OF CASH FLOW US\$'000			
	2018 For the Quarter Ended June 30 Unaudited	2018 For the Period Ended June 30 Unaudited	2017 For the Year Ended December 31 Audited
Profit before tax	9,998	21,084	39,544
Depreciation	1,971	4,011	6,706
Foreign exchange gains	(193)	(191)	(276)
Unamortized discount and transaction costs	332	659	1,253
Other movements	211	211	617
Interest expense/(income) net	8,279	17,340	36,253
Operating profit before changes in working capital	20,598	43,114	84,097
Decrease/(increase) in trade and other receivables	(11,990)	(24,586)	(17,824)
Decrease/(increase) in amounts due from related parties	-	-	-
Decrease/(increase) in inventories	(507)	(1,186)	(2,341)
Decrease/(increase) in trade and other payables	2,033	1,565	2,898
	10,134	18,907	66,830
Net interest and taxes	(17,075)	(16,193)	(31,171)
Net cash generated from operations	(6,941)	2,714	35,659
Net cash used in investing activities	475	20	32,059
Net cash from financing activities	(10,000)	(10,000)	(60,000)
Net increase/(decrease) in cash and cash equivalents	(16,466)	(7,266)	7,718
Opening cash balance	115,002	105,802	98,084
Closing cash balance	98,536	98,536	105,802
Cash and short term deposit	\$'000	\$'000	\$'000
Cash at Bank	98,536	98,536	105,802
Short term Deposits	15,000	15,000	15,885
	113,536	113,536	121,687

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Notes to the Financial Statement

1. Total billings for Quarter 2 of 2018 represent capacity and energy delivered billed according to the power purchase agreement (PPA). The revenue as stated in the audited financials represents billings less lease obligations.
2. Other revenue for Quarter 2 of 2018 represent energy delivered to the Company's off taker (T&TEC) as well as other miscellaneous income adjusted for lease obligations.
3. Total expenses in Quarter 2 of 2018 totaled approximately US\$ 6.1 million which predominantly comprised normal recurrent expenses.
4. Depreciation in Quarter 2 of 2018 is significantly greater than prior year due to major maintenance costs being capitalized as per IAS 16 and the associated depreciation impact.
5. Finance expenses for the six-month ending June 30, 2018 of US\$ 19.2 million is primarily made up of TGU's monthly bond interest accrual of US\$ 15.8 million and the associated withholding tax of approximately US\$ 2.4 million.
6. Finance income for the six-month ending June 30, 2018 of US\$ 1.4 million relates primarily to interest charges to T&TEC on outstanding balances as well accrued income on fixed deposits.