

## IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) U.S. PERSONS WHO ARE QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) (WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”)) OR (2) NON-U.S. PERSONS (WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT) OUTSIDE THE UNITED STATES.

**IMPORTANT: You must read the following before continuing.** The following applies to the Offering Memorandum following this page, and you are advised to read this carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE LAWS OF OTHER JURISDICTIONS. THE OFFERING MEMORANDUM AND THE OFFER OF THE NOTES ARE ONLY ADDRESSED TO AND DIRECTED AT PERSONS IN MEMBER STATES OF THE EUROPEAN ECONOMIC AREA WHO ARE “QUALIFIED INVESTORS” WITHIN THE MEANING OF ARTICLE 2(1)(E) OF THE PROSPECTUS DIRECTIVE (DIRECTIVE 2003/71/EC, AS AMENDED) AND RELATED IMPLEMENTATION MEASURES IN MEMBER STATES (“QUALIFIED INVESTORS”). IN ADDITION, IN THE UNITED KINGDOM THE OFFERING MEMORANDUM IS ONLY BEING DISTRIBUTED TO QUALIFIED INVESTORS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLES 19(5) AND 19(2)(A) TO (D) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AND OTHER PERSONS TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER REFERRED TO AS “RELEVANT PERSONS”). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM RELATES IS AVAILABLE ONLY TO (I) IN THE UNITED KINGDOM, RELEVANT PERSONS, AND (II) IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA OTHER THAN THE UNITED KINGDOM, QUALIFIED INVESTORS, AND WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. IN ADDITION, NO PERSON MAY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY, WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”), RECEIVED BY IT IN CONNECTION WITH THE ISSUE OR SALE OF THE NOTES OTHER THAN IN CIRCUMSTANCES IN WHICH SECTION 21(1) OF THE FSMA DOES NOT APPLY TO US.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

**Confirmation of your Representation:** In order to be eligible to view this Offering Memorandum or make an investment decision with respect to the securities, investors must be either (1) a U.S. person who is a QIB or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act) outside the United States. This Offering Memorandum is being sent at your request and by accepting the e-mail and accessing this Offering Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) a U.S. person who is a QIB or (b) non-U.S. persons (within the meaning of Regulation S under the Securities Act) and that the electronic mail address that you gave us and to which this Offering Memorandum has been delivered is not located in the United States, and (2) that you consent to delivery of such Offering Memorandum by electronic transmission.

You are reminded that this Offering Memorandum has been delivered to you on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offering Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the issuer in such jurisdiction.

This Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently neither the Initial Purchasers, nor any person who controls them nor any of their directors, officers, employees nor any of their agents nor any affiliate of any such person accept any liability or responsibility whatsoever in respect of any difference between this Offering Memorandum distributed to you in electronic format and the hard copy version available to you on request from the Initial Purchasers.



(a Trinidad and Tobago company)

## U.S.\$600,000,000 5.250% Senior Unsecured Notes due November 4, 2027

We are offering U.S.\$600,000,000 aggregate principal amount of 5.250% senior unsecured notes due November 4, 2027 (the “notes”). Principal of the notes will be repaid in six equal, consecutive, semi-annual installments of U.S.\$100,000,000 commencing on May 4, 2025. Interest will accrue from November 4, 2016 and will be payable on May 4 and November 4 of each year, beginning on May 4, 2017.

We may redeem the notes, at our option, in whole or in part, at any time or from time to time, by paying the greater of the outstanding principal amount of the notes and the “make-whole” amount, plus, in each case, accrued and unpaid interest. We may also redeem the notes, in whole but not in part, at any time in the event of certain changes in tax laws at a price equal to the outstanding principal amount of the notes plus accrued unpaid interest and any additional amounts.

The notes will be senior obligations and will be *pari passu* in right of payment to all of our existing and future unsecured and unsubordinated indebtedness, except those obligations preferred by operation of Trinidad and Tobago law. We intend to use the net proceeds from this offering, together with cash on hand and other funds available to us, to refinance in its entirety our U.S.\$600.0 million syndicated bridge facility with Credit Suisse AG, Cayman Islands Branch, as administrative agent and lead arranger, and other financial institutions as lenders. See “Use of Proceeds”.

*Issue Price: 98.320% plus accrued interest, if any, from November 4, 2016*

**See “Risk Factors” beginning on page 19 for a discussion of certain risks that you should consider in connection with an investment in the notes.**

The notes have not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any other jurisdiction. We are offering the notes in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act and outside the United States only to non-U.S. persons outside the United States in reliance on Regulation S under the Securities Act. For a description of certain restrictions on transfer of the notes, see “Transfer Restrictions”.

We are not and are not required to be registered as a reporting issuer with the Trinidad and Tobago Securities and Exchange Commission and the notes and the information contained in this offering memorandum have not been and will not be registered with or approved by the Trinidad and Tobago Securities and Exchange Commission and any representation to the contrary is an offense. Accordingly, the notes shall be distributed in Trinidad and Tobago as a limited offering to thirty-five or less persons in accordance with the Securities Act Chapter 83:02 of the laws of Trinidad and Tobago (the “T&T Securities Act”).

Approval in-principle has been received from Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation of the notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval in-principle from the SGX-ST and admission of the notes to the Official List of the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, its subsidiaries (if any), its associated companies (if any), its joint venture companies (if any) or the notes. The notes will be in minimum denominations of U.S.\$200,000 each or integral multiples of U.S.\$1,000 in excess thereof. The notes will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 for so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require.

The notes have not been, and are not being, publicly offered in Jamaica. This offering memorandum does not and is not intended to constitute a public offer of securities in Jamaica. The Issuer has filed with the Financial Services Commission of Jamaica (“FSCJ”) the required Notice of Exempt Distribution (Form XDF-1) pursuant to guidelines numbered SR-GUID-08/05-0016 published by the FSCJ and the FSCJ has confirmed in writing that the notes have been granted exemption from the registration of this offering memorandum.

None of the U.S. Securities and Exchange Commission (the “Commission”), any U.S. state securities commission or any securities regulatory authority has approved or disapproved of the offering of the notes or determined whether this offering memorandum is accurate or complete. Any representation to the contrary is a criminal offense.

We expect that delivery of the notes will be made to investors in book-entry form through The Depository Trust Company (“DTC”) for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, on or about November 4, 2016.

*Joint Book-Running Managers*

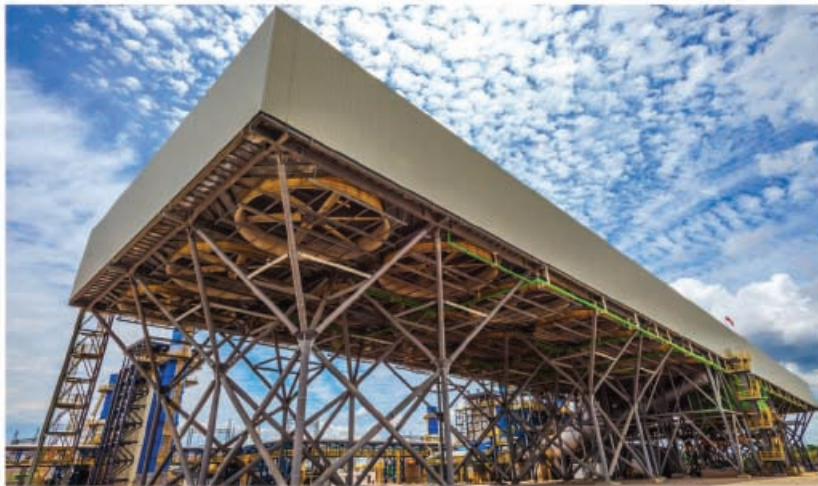
**Credit Suisse**

**Scotiabank**

*Bookrunner*

**RBC Capital Markets**

The date of this offering memorandum is October 27, 2016.



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Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to “TGU” the “Issuer,” the “Company,” “we,” “us,” “our” and words of similar effect refer to Trinidad Generation Unlimited, unless the context otherwise requires.

For the sale of the notes in the United States, we are relying upon an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. By purchasing the notes, you will be deemed to have made certain acknowledgments, representations and agreements as set forth under “*Transfer Restrictions*” We are not, and the initial purchasers are not, making an offer to sell the notes in any jurisdiction except where such an offer or sale is permitted. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

We have submitted this offering memorandum solely to a limited number of qualified institutional buyers in the United States and outside the United States to persons other than U.S. persons so they can consider a purchase of the notes. We have not authorized the use of this offering memorandum for any other purpose. This offering memorandum may not be copied or reproduced in whole or in part. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the notes. Distribution of this offering memorandum to any person other than the offeree and any person

retained to advise such offeree is unauthorized, and any disclosure of any of the contents hereof without our prior written consent is prohibited. By accepting delivery of this offering memorandum, you agree to these restrictions.

This offering memorandum is based on information provided by us and other sources that we believe to be reliable. We and the initial purchasers cannot assure you that such information provided to us is accurate or complete. This offering memorandum summarizes certain documents (including the indenture that will govern the notes) and other information, and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of us and the terms of the offering and the notes, including the merits and risks involved.

We are not making any representation to any purchaser regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business, tax or other advice. You should consult your own counsel, accountant, business advisor and tax advisor for legal, tax, business and financial advice regarding any investment in the notes.

We have not, and the initial purchasers have not, authorized any person to provide you with different information or to make any representation not contained in this offering memorandum. You should assume that the information contained in this offering memorandum is accurate only as of the date on the front cover of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

By purchasing any notes, you will be deemed to have acknowledged that: (1) you have received a copy of and have reviewed this offering memorandum; (2) you have had an opportunity to review all financial and other information considered by you to be necessary to make your investment decision and to verify the accuracy of, or to supplement, the information contained in this offering memorandum and have been offered the opportunity to ask us questions, and received answers, as you deemed necessary in connection with your investment decision; (3) you have not relied on the initial purchasers or any person or entity affiliated with the initial purchasers in connection with your investigation of the accuracy of such information or your investment decision; (4) the initial purchasers are not responsible for, and are not making any representation to you concerning, us, our future performance or the accuracy or completeness of this offering memorandum; and (5) no person has been authorized to give any information or to make any representation concerning us or the notes or the offer and sale of the notes, other than as contained in this offering memorandum.

We reserve the right to withdraw this offering of the notes at any time, and we and the initial purchasers reserve the right to reject any commitment to subscribe for the notes in whole or in part and to allot to any prospective investor less than the full amount of notes sought by that investor. The initial purchasers and their respective affiliates may acquire for their own account a portion of the notes.

You must comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the notes and you must obtain any consent, approval or permission required by you for the purchase, offer or sale of the notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

This offering memorandum has been prepared on the basis that any offer of notes in any Member State of the European Economic Area (the “EEA”) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish an offering memorandum for offers of notes. Accordingly, any person making or intending to make an offer in that Member State of notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for us or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither we nor the initial purchasers have authorized, nor do we or they authorize, the making of any offer of notes in circumstances in which an obligation arises for us or the initial purchasers to publish a prospectus for such offer. Neither we nor the initial purchasers have authorized, nor do we or they authorize, the making of any offer of notes through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of the notes

contemplated in this offering memorandum. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in the Member State concerned.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the U.K Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Financial Promotion Order”); (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order; (iii) are outside the United Kingdom; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the U.K. Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons, and will be engaged in only with relevant persons.

The contents of our website do not form part of this offering memorandum.

This offering memorandum contains some of our trademarks, trade names and service marks, including our logos. Each trademark, trade name or service mark of any company appearing in this offering memorandum belongs to its respective holder.

#### **NOTICE TO RESIDENTS OF TRINIDAD AND TOBAGO**

THE NOTES WILL NOT BE SUBJECT TO A PUBLIC OFFERING IN TRINIDAD AND TOBAGO AND HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH OR APPROVED BY THE TRINIDAD AND TOBAGO STOCK EXCHANGE OR THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION.

TRINIDAD AND TOBAGO SECURITIES LAWS AND REGULATIONS ON THE REGISTRATION OF ISSUERS AND THE REGISTRATION OF SECURITIES WILL NOT BE APPLICABLE TO THE OFFERING OF THE NOTES AND THEREFORE, THE DISCLOSURE OBLIGATIONS SET FORTH THEREIN WILL NOT BE APPLICABLE TO THE ISSUER OR THE SELLERS OF THE NOTES BEFORE OR AFTER THEIR ACQUISITION BY PROSPECTIVE INVESTORS. THIS OFFERING MEMORANDUM AND OTHER OFFERING MATERIALS RELATING TO THE OFFER OF THE NOTES ARE BEING SUPPLIED TO THOSE TRINIDAD AND TOBAGO INVESTORS WHO HAVE EXPRESSLY REQUESTED THEM. SUCH MATERIALS MAY NOT BE DISTRIBUTED TO ANY PERSON OR ENTITY OTHER THAN THE INTENDED RECIPIENTS. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD IN TRINIDAD AND TOBAGO AS A LIMITED OFFERING AND IN ACCORDANCE WITH THE TRINIDAD AND TOBAGO SECURITIES LAWS AND REGULATIONS THE AGGREGATE NUMBER OF TRINIDAD AND TOBAGO INVESTORS IS RESTRICTED TO THIRTY-FIVE OR LESS INVESTORS. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING OF THE NOTES TO DETERMINE THEIR ABILITY TO INVEST IN THE NOTES.

NO OFFER OR INVITATION TO SUBSCRIBE FOR OR SELL THE NOTES OR BENEFICIAL INTERESTS THEREIN CAN BE MADE IN THE REPUBLIC OF TRINIDAD AND TOBAGO EXCEPT IN COMPLIANCE WITH THE TRINIDAD AND TOBAGO SECURITIES LAWS.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements reflecting our current views about future events and financial performance. Words such as “believe,” “could,” “may,” “will,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “potential,” “predict,” “forecast,” “guideline,” “should” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying these statements. Statements that are not historical facts, including statements about our strategy, plans, objectives, assumptions, prospects, beliefs and expectations are forward-looking statements. Forward-looking statements are not guarantees of future performance and involve inherent risks and uncertainties. Forward-looking statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them.

Actual results could differ materially and adversely from those expressed or implied by the forward-looking statements as a result of various factors that may be beyond our control, including but not limited to:

- the performance and reliability of our generation plant and our ability to manage our operation and maintenance costs;
- our offtaker’s ability to meet its contractual obligations;
- a unilateral termination of the PPA;
- our ability to comply with the PPA and achieve the expected availability rates;
- conflicts of interest arising due to or with affiliates of our sole shareholder;
- climate conditions, changes in climate, natural disasters or other occurrences of natural phenomena, including those affecting the availability of water supply;
- adequacy of our insurance coverage;
- our ability to hire and retain qualified and competent employees and management;
- interruption or failure of our information technology, communication and processing systems or external attacks and invasions of these systems;
- our ability to accurately predict the maintenance requirements of our plant, and receive supplies, services and parts on a timely basis;
- our suppliers’ ability to perform their obligations under the warranties they provided;
- our ability to comply with the lease agreement for the land on which the Plant is located;
- mechanical and electrical failures of T&TEC’s grid;
- litigation and/or regulatory proceedings or developments, and our expectations with respect to such litigation, proceedings or developments, including the impact of our release of certain provisions;
- the political and macroeconomic outlook for Trinidad and Tobago, including exchange rate, inflation and interest rate fluctuations, and the impact on our business of such conditions;
- the sufficiency of Trinidad and Tobago’s natural gas and oil reserves;

- the sufficiency of our liquidity and capital resources;
- our ability to finance our operations and service our debt;
- the legal and regulatory framework of the Trinidad and Tobago energy and power industry, including tax regulations;
- our goals and strategies; and
- other factors identified or discussed under “*Risk Factors*”.

Some of these factors are discussed under “*Risk Factors*”, but there may be other risks and uncertainties not discussed under “*Risk Factors*” or elsewhere in this offering memorandum that may cause actual results to differ materially from those in forward-looking statements. You should read this offering memorandum completely and with the understanding that our actual future results may be materially different from what we expect.

In any event, these statements speak only as of the date of this offering memorandum, and we do not undertake any obligation to update or revise any of them as a result of new information, future events or otherwise.

### AVAILABLE INFORMATION

Prior to the closing date we will have appointed National Corporate Research, Ltd. as our authorized agent upon which process may be served in any action which may be instituted in any U.S. Federal or state court having subject matter jurisdiction in the Borough of Manhattan, the City of New York, arising out of or based upon the Indenture. See “*Description of the Notes—Governing Law*”.

Descriptions of us and the Plant are included in this offering memorandum. All statements made in this offering memorandum regarding any document are qualified in their entirety by reference to such document. Until the completion of the offering of the notes, any holder may inspect such documents during normal business hours upon reasonable notice at the offices of the Trustee, which are located at 100 Wall Street, 16th Floor, New York, NY 10005, USA.

The descriptions of the documents in this offering memorandum are not comprehensive or definitive and such descriptions are qualified in their entirety by reference to each of the documents themselves. Certain documents described in this offering memorandum are subject to confidentiality provisions. The holder may be required to sign a confidentiality agreement prior to its review of these confidential documents. If the holder reviews these confidential documents, the holder agrees to keep the contents confidential and not to disclose any information contained in such documents to any person. However, the holder may disclose such information to its employees, agents, advisors, attorneys, managers and directors for the sole purpose of evaluating an investment in the notes.

For so long as any notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, we will, during any period in which we are neither subject to Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser or subscriber of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser or subscriber the information required to be delivered to such persons pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision thereto). Any such request should be directed to our Chief Financial Officer, at 128 Mulchan Seuchan Road, Third Floor, Colfire Building, Chaguanas, 501342, Trinidad and Tobago and to our Corporate Secretary, at 33-35 Boisierre No. 1, Maraval, Port of Spain, Trinidad and Tobago.

## FINANCIAL INFORMATION

We present financial statements in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), and all financial information included in this offering memorandum is derived from our financial statements, except as otherwise indicated. In particular, this offering memorandum contains certain non-IFRS financial information. See “*Non-IFRS Financial Measures*” and “*Summary Financial and Operating Data*”.

The financial statements we have included in this offering memorandum consist of our:

- audited annual statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2013, 2014 and 2015 and audited statements of financial position as of December 31, 2013, 2014 and 2015 and the notes thereto (our “audited annual financial statements”); and
- unaudited condensed statements of comprehensive income, changes in equity, and cash flows for the six month periods ended June 30, 2016 and 2015, and our unaudited condensed statement of financial position as of June 30, 2016, and the notes thereto (our “unaudited condensed interim financial statements”).

The independent auditor’s report with respect to the 2015 audited financial statements and the 2014 audited financial statements, which contains “Other Matters” paragraphs that describe uncertainties and qualifications addressed in prior reports that have since been resolved, is included in this offering memorandum. The independent auditor’s report on the 2013 audited financial statements, which contains a qualified opinion because our independent auditor was unable to verify the existence and completeness of the stated inventory balance at December 31, 2013, is included in this offering memorandum.

We present our financial statements in U.S. Dollars, our functional currency. All references in this offering memorandum to (i) “dollars,” “\$” or “U.S.\$” are to U.S. Dollars and (ii) “Trinidad Dollar” or “TT\$” are to the legal currency of Trinidad and Tobago. We have made rounding adjustments to some of the figures included in this offering memorandum. Consequently, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them. Trinidad Dollar/U.S. Dollar translations included in this offering memorandum are solely illustrative, and you should not expect that any amount in Trinidad Dollars actually represents a stated U.S. Dollar amount or that it could be translated into U.S. Dollars at the rate suggested.

## NON-IFRS FINANCIAL INFORMATION

In this offering memorandum, we disclose non-IFRS financial measures, namely Adjusted revenue, Adjusted EBITDA and net debt, each as defined in “*Summary Financial and Operating Data*.” Each of these measures is an important measure used by our company to assess operating and financial performance. We believe that the disclosure of Adjusted revenue, Adjusted EBITDA and net debt provides useful supplemental information to investors and financial analysts in their review of our operating performance and in the comparison of such operating performance to the operating performance of other companies in the same industry or in other industries that have different capital structures, debt levels and/or income tax rates. Adjusted revenue, Adjusted EBITDA and net debt are not recognized under IFRS or any other generally accepted accounting principles as measures of financial performance and should not be considered as a substitute for revenue, net income, cash flow from operations or total debt, respectively, or other measures of operating performance or liquidity determined in accordance with IFRS. Adjusted EBITDA presents limitations that impair its use as a measure of our profitability since it does not take into consideration certain costs and expenses that result from our business that could have a significant effect on our net income. Adjusted revenue presents limitations as a measure of revenue since it includes finance lease collections. Other companies may calculate Adjusted EBITDA or net debt differently, and therefore our presentation of Adjusted EBITDA or net debt may not be comparable to other similarly titled measures used by other companies. For reconciliations of our non-IFRS financial measures to their closest comparable IFRS measures, see “*Summary Financial and Operating Data*”.

## **INDUSTRY AND MARKET DATA**

We obtained the market and industry data and other statistical information used throughout this offering memorandum from our own research, surveys or studies conducted by third parties, independent industry or general publications and other published independent sources, including the Inter-American Development Bank Energy Dossier: Trinidad & Tobago, Technical Note No. IDB-TN-938, dated February, 2016 (the “IDB Report”). To the extent it relates to the Government of the Republic of Trinidad and Tobago (the “GoRTT”) or Trinidad and Tobago macroeconomic data, the information used throughout this offering memorandum has been extracted from the offering memorandum for the Republic of Trinidad and Tobago’s offering of U.S.\$1.0 billion 4.50% Notes due 2026, dated August 10, 2016, which the GoRTT has granted us permission to utilize, and other official publications and public information released by the GoRTT, and has not been independently verified by us or the initial purchasers. We and the initial purchasers do not have and do not accept any responsibility for the accuracy or completeness of the information disclosed by the GoRTT in such publications (which are not incorporated by reference into this offering memorandum) or publicly available information included in this offering memorandum. Prospective purchasers are strongly advised to make their own independent evaluation of the GoRTT, including its financial condition, and of the macroeconomic conditions of Trinidad and Tobago generally, prior to making an investment decision with respect to the notes. Neither the GoRTT nor any of its subsidiaries or affiliates is providing any guarantee of payment or other credit support for the notes. While we believe that these sources are reliable, they are themselves subject to assumptions and involve judgments and estimates, and we and the initial purchasers have not independently verified such data, and we and the initial purchasers make no representations as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources.

## **RATINGS INFORMATION**

This offering memorandum includes information regarding corporate and country ratings from ratings agencies. Ratings are not a recommendation to buy, sell or hold securities. Any rating can be revised upward or downward or withdrawn at any time by a rating agency if it decides that the circumstances warrant the change. Ratings reflect the views of the rating agencies only. An explanation of the significance of these ratings may be obtained from the rating agency.

## **REPRESENTATION OF CAPACITY AND PRODUCTION FIGURES**

Unless otherwise indicated, statistics provided throughout this offering memorandum with respect to power generation units are expressed in MW, in the case of the capacity of such power generation units, and in GWh, in the case of the electricity production of such power generation units.

## **ENFORCEMENT OF CIVIL LIABILITIES**

We are a company existing under the laws of Trinidad and Tobago. 100% of our shares are indirectly owned by the GoRTT, through Union Estate Electricity Generation Company Limited (“UEEGCL”).

Substantially all of our and our parent company’s directors, officers and controlling persons named herein reside outside the United States, and a substantial portion of our and their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons, including with respect to matters arising under the federal securities laws of the United States, or to enforce against such persons or against us judgments of courts of the United States predicated upon the civil liability of the federal securities laws of the United States.

No treaty exists between the United States and Trinidad and Tobago for the reciprocal enforcement of foreign judgments. There is doubt as to the enforceability (i) in original actions in the courts of Trinidad and Tobago, of liabilities predicated in whole or in part on the United States federal securities laws and (ii) in the courts of Trinidad and Tobago, of judgments, orders or rulings of United States courts or tribunals obtained in actions predicated upon the civil liability provisions of the United States federal securities laws. Any money judgment or award by any United States federal or New York State court of competent jurisdiction against the Issuer in

connection with any action governed by New York law would be recognized in the courts of Trinidad and Tobago, and such courts would grant a judgment that can be enforceable against the Issuer in Trinidad and Tobago without retrial, of the cause of action, except if such recognition and enforcement were to be obtained under any one of the following circumstances:

- the foreign court acted without jurisdiction;
- the judgment was obtained by fraud;
- the judgment was obtained by a breach of the rules of natural justice; or
- the enforcement of the judgment would be contrary to an act of parliament of Trinidad and Tobago or to public policy.

In addition, while courts of Trinidad and Tobago have the power to, and usually do, enforce foreign judgments to pay such judgments in a currency other than Trinidad Dollars, they may decline to enforce such judgments, or may enforce such judgments without the benefit of currency conversion and indemnity provisions. The courts in Trinidad and Tobago may not enforce a provision that requires one party to pay another party's litigation costs and may, instead, make orders governing the reimbursement of such legal costs.

#### **CERTAIN TERMS USED IN THIS OFFERING MEMORANDUM**

We have prepared this offering memorandum using a number of conventions, which you should consider when reading the information contained herein. In this offering memorandum:

- “Btu” means British thermal units;
- “COD” means the commercial operation date of a development project;
- “distribution” refers to the transfer of electricity from the transmission lines at grid supply points and its delivery to consumers at lower voltages through a distribution system;
- “EPC Contract” means Engineering, Procurement, Construction, Commissioning Agreement dated January 8, 2009, between MAN Ferrostaal and TGU;
- “firm capacity” means the amount of energy available for production that, pursuant to applicable regulations, must be guaranteed to be available at a given time for injection to a certain power grid;
- “Guarantee” means the Government Guarantee Agreement, dated September 15, 2009, between The Government of The Republic of Trinidad and Tobago and Trinidad Generation Unlimited;
- “GWh” means gigawatt hour (one GWh is equal to 1,000 MWh);
- “heat rate” means the number of Btu of energy contained in the fuel required to produce a kWh of energy (Btu/kWh) for thermal plants;
- “installed capacity” means the intended full-load sustained output of energy that a generation unit is designed to produce (also referred to as name-plate capacity);
- “IDB Report” means the Inter-American Development Bank Energy Dossier: Trinidad & Tobago, Technical Note No. IDB-TN-938, dated February, 2016;
- “kWh” means Kilowatts hour;

- “mmbtu” means one million Btus;
- “MW” means megawatts (one MW is equal to 1,000 Kilowatts or KW);
- “MWh” means megawatt hour (one MWh is equal to 1,000 kilowatts hour);
- “OEM” means original equipment manufacturer;
- “PPA” means the Power Purchase Agreement, dated September 15, 2009, among Alutrint Limited, Trinidad and Tobago Electricity Commission and Trinidad Generation Unlimited;
- “transmission” refers to the bulk transfer of electricity from generating facilities to the distribution system at load center station in which the electricity is stabilized by means of the transmission grid;
- “weighted average availability” refers to the number of hours that a generation facility is available to produce electricity divided by the total number of hours in a year.

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## SUMMARY

*This summary highlights information presented in greater detail elsewhere in this offering memorandum and does not contain all of the information that you should consider in making your investment decision. Before deciding whether to invest in our notes, you should carefully read this entire offering memorandum, especially the risks of investing in our notes discussed under the heading “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Business”, and our audited annual financial statements and unaudited condensed interim financial statements.*

### Overview of Our Company

We own and operate a 720 MW net capacity combined-cycle gas-fired power plant located in the Union Industrial Estate at Vessigny Village, La Brea in the Republic of Trinidad and Tobago (the “Plant”), which currently is the largest power generation plant in Trinidad and Tobago in terms of supplied electricity, and the second largest power generation plant in Trinidad and Tobago in terms of installed capacity and contracted capacity, according to T&TEC. Upon commissioning of the Plant following Phase 1 construction completion in August 2011, we began operations with an installed capacity of 225 MW. When we commissioned Phase 2 of the Plant in December 2012, we increased our installed capacity to 720 MW and Trinidad’s power generation capacity by approximately 50%, representing a major contribution to the energy security of the country while concurrently improving the fuel efficiency of the entire grid. As of mid-January 2016, the Plant accounted for 34% of all power generation in Trinidad and Tobago, as measured by installed capacity, and currently delivers approximately 45% of the country’s average demand, as measured by the amount of energy actually purchased by T&TEC. For the year ended December 31, 2015, we generated total comprehensive income of U.S.\$61,366 thousand and Adjusted EBITDA of U.S.\$86,980 thousand, and for the six-months ended June 30, 2016, we generated total comprehensive income of U.S.\$29,894 thousand and Adjusted EBITDA of U.S.\$41,005 thousand. For reconciliations of our non-IFRS financial measures to their closest comparable IFRS measures, see “Summary Financial and Operating Data”.

The Plant was designed and built pursuant to the EPC Contract by MAN Ferrostaal of Germany (“MAN Ferrostaal”), the engineering and construction subsidiary of MAN AG, a world-renowned service provider in the power sector with operations in over 40 countries. The Plant is a state-of-the-art fully operational, combined-cycle, gas-fired plant which operates with proven technology utilizing reputable original equipment manufacturers (“OEM”). We believe the Plant is the lowest all-in cost and most efficient electricity generation facility in Trinidad and Tobago, and a significant strategic asset for Trinidad and Tobago and its economy.

### Our Power Purchase Agreement

Substantially all of our revenues are derived from capacity payments we receive under a long-term (30-year), U.S. Dollar-denominated, power purchase agreement (“PPA”), including a tolling arrangement, with our sole offtaker, Trinidad and Tobago Electricity Commission (“T&TEC”), a 100% government-owned enterprise responsible for the operation of the country’s power transmission and distribution networks. T&TEC is also the sole governmental body overseeing the allocation of contracted capacity among power generators in Trinidad and Tobago. As further described below, our PPA includes many features that we believe allow us to benefit from stable, long-term cash flows and low operational risk, including the following:

- Our PPA includes a tolling arrangement whereby the risk of gas supply and gas risk are borne by the offtaker T&TEC;
- the term of the PPA is 30 years, with a remaining term of 25 years;
- our sole offtaker, T&TEC, is a 100% government-owned enterprise whose PPA payment obligations under the PPA are unconditionally guaranteed by the GoRTT;
- substantially all of our revenues (99% in 2015) are derived from capacity payments under the PPA which are (i) only conditioned on the Plant reaching a minimum availability rate, irrespective of whether the Plant is required to dispatch power to T&TEC or the Trinidad power grid, and (ii)

required to continue to be made by T&TEC during certain force majeure events and upon default by TGU under the PPA (unless T&TEC terminates the PPA upon such a default);

- under our PPA we are not subject to spot market or other price fluctuation risk, and are only subject to minimal exchange rate fluctuation risk; and
- the PPA ensures most disruptions due to unavailability of fuel or water supply will not negatively impact our capacity payments because of our tolling arrangement.

The term of the PPA is until July 31, 2041, which term may be renewed for an agreed period with mutual consent of both parties. Under the PPA, T&TEC is obligated to make capacity payments for up to 93% of the contracted capacity (720 MW) on an annual basis, regardless of whether T&TEC takes full delivery of any power generated by the Plant, and even in the event of the occurrence of certain force majeure events, regulatory changes or certain TGU defaults (unless T&TEC terminates the PPA upon such a default). The Plant has been able to maintain average annual availability above 93% in four out of the past five operating years, falling marginally below 93% annual availability only in 2013, which was the post-commissioning year. T&TEC's payment obligations under the PPA are fully and unconditionally guaranteed by GoRTT (the "Guarantee"). The PPA is denominated in U.S. Dollars which provides us with a natural hedge as currently 100% of our financial debt and, as of June 30, 2016, substantially all of our operating and maintenance costs are denominated or paid in U.S. Dollars. The PPA allows for TGU to invoice up to a maximum of 95% of the capacity payments due from T&TEC in U.S. Dollars, which we have consistently done since inception. For the year ended December 31, 2015, we invoiced 5% of our revenues in TT\$ in order to have sufficient TT\$ to cover certain local-currency denominated costs such as VAT, salaries and locally obtained material and services. The percentage of revenues that we invoice in TT\$ may be increased at our option to the extent that we need additional TT\$ to cover any increased TT Dollar-denominated costs. The PPA is also structured as a tolling arrangement in that T&TEC is responsible for supplying fuel to our Plant in the form of natural gas. See *"The Republic of Trinidad and Tobago—Natural Gas"* and *"Business—Material Documents Relating to the Plant—PPA and Related Guarantee"*.

Furthermore, the PPA ensures that we will continue to receive capacity payments from T&TEC, as long as capacity would have been made available but for the disruption of our fuel supply. Similarly, T&TEC must continue to make capacity payments to us even if we are unable to reach the required availability rates under the PPA due to an insufficient water supply, as long as capacity would have been made available but for the disruption of our water supply. See *"Business—Material Documents Relating to the Plant—PPA and Related Guarantee"* for a summary of the terms of the PPA and of the Guarantee.

Our success and financial strength are closely tied to the economic conditions in Trinidad and Tobago. Additionally, due to our relatively high efficiency compared to the other major power suppliers in the country, we contribute to T&TEC's success as the country's main power distributor. T&TEC, which is wholly owned by the GoRTT, is an integrated power company primarily focused on power transmission and distribution, and is the sole retailer of electricity in Trinidad and Tobago. Trinidad and Tobago has a sovereign investment grade credit rating from both Moody's (Baa3) and S&P (A-), moderate debt levels (8.8% external debt to GDP as of September 30, 2015), one of the highest GNI per capita in Latin America and one of the highest per capita incomes in Latin America and the Caribbean. In addition, Trinidad and Tobago attracts considerable foreign direct investment, particularly in the energy sector. The GoRTT is committed to meeting the increased demand for electric power in the country, and we believe will continue to support key participants in the sector as part of its policies and strategy. See *"The Republic of Trinidad and Tobago"* for more information about the GoRTT.

## Financial Highlights

The following table sets forth certain key financial information about our company for the periods presented below:

	Six Month Period Ended June 30		Year Ended December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
Revenue .....	51,845	50,818	105,421	105,720	177,830
Other revenue .....	(1,251)	-	(3,887)	(3,804)	(75,567)
Finance lease income <sup>(1)</sup> .....	50,594	50,818	101,534	101,916	102,263
Finance lease collections <sup>(2)</sup> .....	1,907	1,392	3,754	3,366	3,019
<b>Adjusted revenue</b> <sup>(3)</sup> .....	<b>52,501</b>	<b>52,210</b>	<b>105,288</b>	<b>105,282</b>	<b>105,282</b>
Net profit for the period/year .....	29,894	33,437	61,366	69,460	118,844
Finance income .....	(6,239)	(5,278)	(6,848)	(7,332) <sup>(6)</sup>	(2,152) <sup>(7)</sup>
Finance expense .....	5,560	47	4,731	5	13
Taxation .....	8,751	11,355	22,036	23,314	41,689
Operating profit .....	37,966	39,561	81,285	85,447	158,394
Depreciation .....	1,132	990	1,941	1,858	1,893
Finance lease collections .....	1,907	1,392	3,754	3,366	3,019
Liquidated damages <sup>(4)</sup> .....	-	-	-	-	(73,238)
<b>Adjusted EBITDA</b> <sup>(5)</sup> .....	<b>41,005</b>	<b>41,943</b>	<b>86,980</b>	<b>90,671</b>	<b>90,068</b>

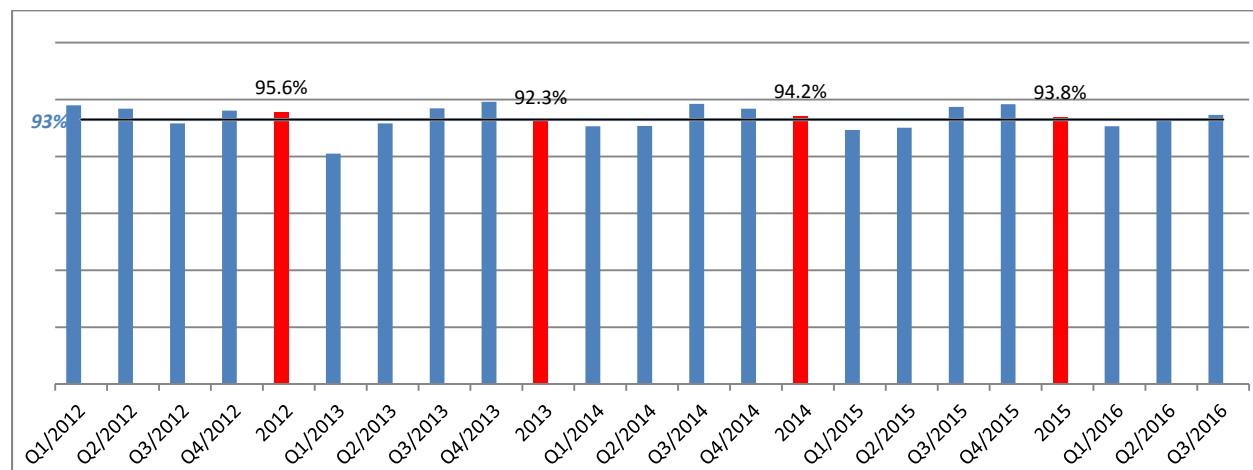
- (1) Under IFRS International Accounting Standards (“IAS”) 17 *Leases*, we account for the rights under our PPA as a finance lease and as a result recognize an account receivable balance on our statement of financial position at an amount equal to the amount of our net investment in the lease represented by the PPA. Our lease payment receivable is composed of a principal component (which is adjusted over time on our statement of financial position, with such adjustment only recorded as a cash inflow in the cash flow statements) that is not recognized as income in our statement of comprehensive income. We refer to this portion of the lease payment receivable as “finance lease collections”. The interest component of our lease payment receivable is recognized as finance lease income over the term of the PPA.
- (2) See footnote (1) for a description of finance lease collections.
- (3) Adjusted revenue represents capacity payments paid to us by T&TEC pursuant to our PPA, as calculated on a monthly basis by multiplying the product of our average available capacity and hours of operation by our capacity price. See “*Business—Material Documents Relating to the Plant—PPA and Related Guarantee—Calculation of Capacity, and Capacity and Energy Payments*” for further details on the calculation of payments we receive pursuant to the PPA, including our capacity payments. Adjusted revenue is a non-IFRS measure.
- (4) Represents a one-time liquidated damages payment received from MAN Ferrostaal pursuant to the EPC Contract for late delivery of the Plant. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Material Factors Affecting Our Results of Operations—Liquidated Damages Payments*”.
- (5) Adjusted EBITDA is a non-IFRS measure. For a discussion of our calculation of Adjusted EBITDA and a reconciliation of our net income to our Adjusted EBITDA, see “*Summary Financial and Operating Data*”.
- (6) This amount is U.S.\$7,327 thousand in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum as a result of netting a U.S.\$5 thousand bank charge reflected as finance expenses.
- (7) This amount is U.S.\$2,139 thousand in our audited annual financial statements as of and for the year ended December 31, 2013, which are presented as comparative information included in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum, as a result of netting a U.S.\$13 thousand bank charge reflected as finance expenses.

## Operations

The Plant is equipped with six General Electric (“GE”) 7121EA (“7EA”) combustion turbine generators that operate on a combined-cycle mode with two steam turbine generators (“STG”), providing highly reliable and consistent operating performance. Due to the fact that the Plant was initially designed to support and supply power to an aluminum smelter for which continuous supply power is critical, the Plant is equipped with many “redundant systems” to ensure a high degree of reliability and integrity of the Plant, as well as “Black Start” capabilities that enable the Plant to start up independently of the power grid during a black out. We believe the Plant is the most-efficient power generation plant in Trinidad and Tobago in comparison to the simple cycle gas turbine power plant which comprise the majority of power generation plants in the country at present. We have a Parts and Services Agreement (“PSA”) with GE, under which all major maintenance work has been done by GE on a turnkey basis. While GE is the preferred supplier under the contract, if there are delays of the supply from GE, TGU can source the parts from a third party to minimize impact on Plant availability. See “*Business—Material Documents Relating to the Plant—Parts and Services Agreement*”.

We always target to have just over 93% equivalent availability on an annual basis because there are limited incentives for generating capacity in excess of 93% under the terms of the PPA (as there are no incremental payments while our variable costs increase with the additional availability). We maintain key spare parts onsite as part of our inventory, in order to minimize the risk of extended downtime primarily due to the long lead-times associated with procurement and shipping given the Plant’s geographic location. Our senior management team has on average approximately 30 years of experience in power generation, and our operating and maintenance staff are also highly trained and qualified to deliver on our performance metrics. Furthermore, our operating staff is not subject to bargaining agreements and there are no unions.

The chart below shows the quarterly and annual availability of the Plant from January 1, 2012 to September 30, 2016.



Source: TGU

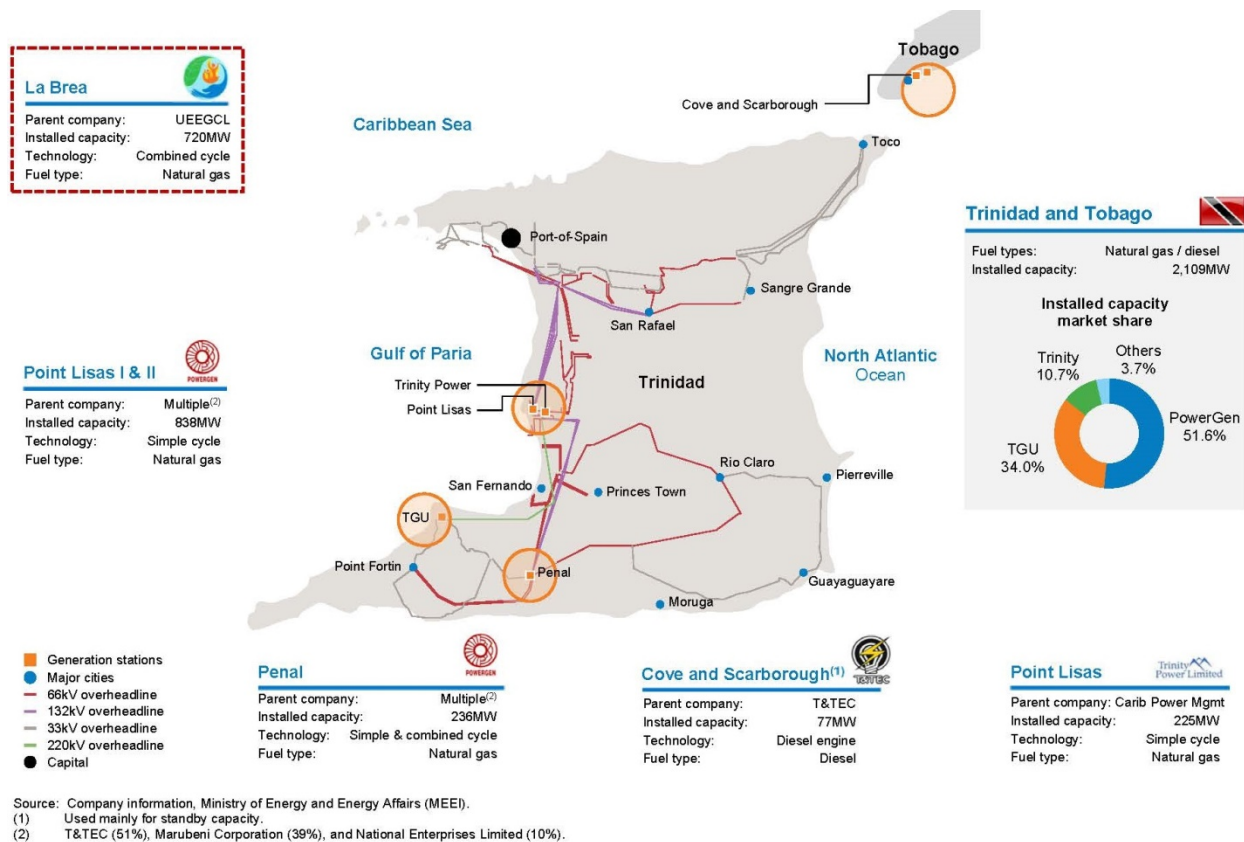
We target our maintenance schedule to achieve a cumulative annual availability of 93% at the end of each year, leaving the other 7% for outages (a maximum of 5% for planned outages and a maximum of 2% for forced outages). We have implemented a pro-active reliability-management maintenance program achieving a 70/30 ratio of preventative maintenance to corrective maintenance. Additionally, we plan for anticipated major maintenance every five years and have a finance policy in place managing our cash in expectation of such expenses. For the six month periods ended June 30, 2016 and 2015, our maintenance costs were U.S.\$8,041 thousand and U.S.\$6,903 thousand, respectively. For the years ended December 31, 2015, 2014 and 2013, our maintenance costs were U.S.\$11,557 thousand, U.S.\$5,247 thousand and U.S.\$5,914 thousand, respectively. See “*Business—Operations—Maintenance and Spare Parts*” for additional details about our maintenance program.

## **The Current Trinidad and Tobago Generation and Electricity Market**

In Trinidad and Tobago, electricity generation comes primarily from natural gas-fired power plants. As of October 2016, Trinidad and Tobago has an installed capacity of 2,094MW and total contracted capacity of 1,837MW. Trinidad and Tobago's electricity rates, at approximately U.S.\$0.04 per kilowatt-hour (kWh), are some of the lowest in the Caribbean, well below the regional residential average of U.S.\$0.39/kWh as of 2012 (the rates in Trinidad and Tobago have not changed since 2012). The greatest demand for electricity in Trinidad and Tobago is from the industrial sector, where the development of a downstream petrochemicals industry has created strong growth in power demand. See "*Industry and Regulation*". The country's electricity prices are among the lowest in Latin America, since low-cost power is part of the government's policy to incentivize industrial development to help the country diversify its energy consumption away from oil and gas. The nation is one of the world's largest exporters of both ammonia and methanol and is the world's sixth largest liquefied natural gas exporter. These industries and others benefit from the low industrial rates provided by T&TEC, themselves enabled by abundant domestic natural gas resources, which were estimated to be 11.5 trillion cubic feet with an expected life of eight years. Trinidad and Tobago meets all of its domestic power needs locally, neither importing nor exporting electricity. Approximately 99% of the country's population has access to the national electricity grid, which had an estimated electrical energy consumption of 9.6 thousand GWh for the year ended December 31, 2015 and 7.0 thousand GWh as of September 30, 2016, according to T&TEC.

The government-owned T&TEC has a monopoly on the transmission and distribution of electricity. Established in 1945, T&TEC is a body corporate established under Chapter 54:70 of the Trinidad and Tobago Electricity Commission Act responsible for the generation and supply of electric energy. Over the years, T&TEC has evolved from an integrated power company (power generation, transmission and distribution) to an organization that directly oversees the design, construction, operation and maintenance of the country's electrical transmission and distribution network as well as generation capacity planning and procurement. T&TEC contracts with three electricity generation players, of which we are currently the second largest in terms of installed capacity and contracted capacity according to T&TEC. See "*Industry and Regulation*".

## Generation Market Asset Overview



## Competitive Strengths

We believe our competitive strengths include the following:

### *State of the Art, Low-Cost, Efficient and Reliable Plant*

The Plant utilizes proven, efficient combined-cycle technology that allows us to produce the lowest all-in cost of electricity in Trinidad and Tobago. The Plant was initially designed to support and supply power to an aluminum smelter for which a continuous supply of power is critical, and therefore features many “redundant” systems” to ensure a high degree of reliability and integrity of the Plant as well as “Black Start” capabilities that enable the Plant to start up independently of the grid during a black out. It is managed by a highly trained and, experienced staff at all levels of the large organization, many with several years of experience in power generation and heavy industry. Furthermore, our operating staff is not subject to bargaining agreements, and there are no unions. We have a spare parts inventory which allows us to minimize downtime during maintenance. Furthermore, the Plant is the most efficient thermal generation facility in Trinidad and Tobago, as measured by its guaranteed heat rate, and it has been operating for more than five years and is therefore no longer subject to construction risk. While as of mid-January, 2016 we have only 34% of Trinidad and Tobago’s installed capacity, we have demonstrated our efficiency and competitiveness by being dispatched at loads such that we currently supply almost 45% of the country’s electrical power demand.

### *Highly Predictable Revenues from Long-Term PPA with a Tolling Arrangement and Stable Capacity Payments*

We generate revenues pursuant to a 30-year PPA, including a tolling arrangement, with T&TEC, a state-owned public entity responsible for the design, construction, operation and maintenance of the country’s electrical transmission and distribution network, with a remaining term of 25 years. The PPA’s payment mechanism enables

us to generate highly predictable revenues and cash flows: T&TEC is required to make capacity payments for all capacity made available by TGU up to 93% of full capacity on an annualized basis even in the event that T&TEC does not take full delivery of such capacity, if there are certain force majeure events affecting T&TEC or if there is a regulatory force majeure event affecting TGU (including a change in law). In addition, all capacity payments by T&TEC to us under the PPA are fully guaranteed by the GoRTT. The payment structure of the PPA and the tolling arrangement, combined with the fact that the revenue under PPA is entirely denominated in U.S. Dollars, protect us from both spot market volatility and from exposure to exchange rate fluctuations.

***Strategically Important Asset to Trinidad and Tobago Supported by Strong Connection to the GoRTT***

We are 100% indirectly owned by the GoRTT through the holding company UEEGCL, creating a close business relationship between us and the GoRTT. As described above, GoRTT has provided a guaranty of all payment obligations of T&TEC under the PPA. Given that as of mid-January, 2016, the Plant represents 34% of the country's power generation, as measured by installed capacity, and currently delivers approximately 45% of the country's average demand due to its efficiency, coupled with the expected retirement of 691 MW of power generation in Trinidad and Tobago in the near future, we believe that the Plant is of strategic importance to the development of the country as it will supply a substantial portion of the country's energy demand for decades into the future. For more information on GoRTT, see "*The Republic of Trinidad and Tobago*".

***Access to Strong Natural Gas Reserves, Supported by Robust Contractual Protection in Case of Fuel Shortage***

Our PPA is structured as a tolling arrangement in that T&TEC, the Buyer, is responsible for supplying natural gas to the Plant. Even if our fuel supply is disrupted at any time, the PPA provides that we will continue to receive capacity payments from T&TEC as long as capacity would have been made available but for the disruption of our fuel supply. Similarly, T&TEC must continue to make capacity payments to us even if we are unable to supply capacity due to an insufficient water supply, as long as capacity would have been made available but for the disruption of our water supply, subject to some force majeure limitations. As such, our PPA reduces our susceptibility to shortages of fuel availability, gas price fluctuations or to disruptions of our water supply. In addition, Trinidad and Tobago has estimated natural gas reserves of 11.5 trillion cubic feet, with an expected life of eight years as of 2014 and, under the GoRTT's natural gas policies, in the event that there are curtailments of gas supply, the power sector, including the Plant, receives priority for delivery of natural gas.

***Supportive Macroeconomic Environment***

Trinidad and Tobago is recognized as a safe and stable jurisdiction for international business. As of the date of this offering, the country has an investment grade credit rating by both Moody's (Baa3) and S&P (A-) and moderate debt levels (8.8% external debt to GDP as of September 30, 2015). The GoRTT is committed to meeting the increased demand for electric power in the country, and therefore continues to support key participants in the sector. Trinidad and Tobago's strategy for generating growth and sustainability is to shift from dependence on hydrocarbon resources to an emphasis on business development through innovation and competitiveness, human capital development that is aligned to labor market needs and diversification of the economy. Consequently, despite the recent weakness of the energy sector, Trinidad and Tobago continues to benefit from its diversified economy, due to its strong services sector which represents 61% of the country's GDP. This policy relies on providing a steady and affordable supply of efficient power to the country, and we believe that TGU will continue to be an important source of that efficient power.

## **Business Strategy**

Our objective is to operate our power generation business according to world-class performance standards and best practices. We believe that our business model is comparable to that of top class independent power producers in terms of our management and operating systems, our organizational structure and human resources. In addition, we have a significant focus on ensuring the safety and reliability of our operating assets and systems. We believe this strategy will enable us to maintain a strong and sustainable operating and financial performance and achieve long-term success in our business and industry.

To realize our strategy, we focus on the following aspects of our business:

### ***Achieving Optimal Plant Availability through Operational Best Practices***

Substantially all of our revenues are derived from capacity payments we receive under the PPA. We intend to continue focusing on improving our operating margins by maintaining a high level of operational efficiency and reliability. To that end, we adhere to a rigorous, proactive reliability-centered maintenance management program, achieving a 70/30 ratio of preventative maintenance to corrective maintenance. We are able to allocate up to 5% of our capacity to programmed outages with an additional 2% buffer for forced outages. By keeping key capital and reliability replacement parts, such as a fully bladed gas turbine compressor rotor, on premises, we are able to reduce turnaround time in the event of an unexpected compressor failure, which is our longest lead-time risk relating to the gas turbine.

Furthermore, we utilize key suppliers and knowledge bases locally and internationally to ensure we have the right resources to support our operation and maintenance activities. For example, the PSA, our long-term maintenance contract with GE, covers planned and unplanned maintenance and additional work. In addition, to ensure asset integrity, we keep up to date with fleet issues and target the right operations and maintenance processes utilizing the most successful standard operating practices and established preventive and predictive maintenance techniques.

### ***Maintaining a High Performance Culture***

TGU is staffed with a highly trained group of employees focusing on best practices in technical, process-related, safety and business competencies. Specialized services are outsourced as necessary to reliable and reputable providers. Our robust recruitment policy and human resource processes are designed to attract and retain the best talent in the country's power industry. For our staff, we focus on succession planning to ensure the continued success of our business. We maintain our standards by continuous training and develop our staff to keep up to date with relevant technology and business development. We have an engaging work environment supported by a team-oriented culture working towards a shared vision for excellence that is sustained by using appropriate reward and performance management systems.

Our performance metrics are comparable to those of publicly available information of other thermal generation units in the region operated by leading international power companies in terms of availability and heat rate.

### ***Maintaining a Constructive Business Relationship with the GoRTT and T&TEC***

We intend to continue to maintain and to further develop a constructive business relationship with the GoRTT and T&TEC, actively cooperating with them in seeking solutions to the various challenges of the sector and, through our active membership in industry associations and consultation groups, participating in the development of sound regulatory frameworks.

## ***Fostering Corporate Social Responsibility***

We have a strong community social responsibility (CSR) program, through which we build mutually beneficial relationships with our community primarily in the area of education, training and development focusing on youth. We offer, among other initiatives, computer training as well as technical and vocational training programs. Additionally, we have provided school supplies for underprivileged children and have arranged health screening programs for members of the community including community schools. We also support the diversity of our community by supporting them in their respective cultural celebrations.

## **History**

In 2006, following the award to AES Corporation (“AES”) of the contract to build the Plant, the GoRTT agreed to engage in a joint venture with AES for the construction and commissioning of the Plant, at a budgeted cost, excluding interest during financing, of approximately U.S.\$739,000 thousand. At that time AES was one of the world’s largest independent power producers. At the inception of the joint venture, the capital structure of TGU was shared in the proportion of 60% ownership by AES and 40% ownership by UEEGCL, an entity formed to hold the GoRTT’s shares in TGU. Due to the impact of the global financial crisis on AES’s ability to meet its required contribution to equity in TGU, the capital structure was changed in 2009 such that UEEGCL’s ownership interest increased to 90.07%, with the remaining 9.93% held by AES, as the GoRTT continued to finance the construction through cash advances on the understanding that these would be repaid when the Company was in a position to raise the required financing as market conditions became more favorable. In 2013, UEEGCL purchased AES’s remaining 9.93% minority interest, resulting in the current ownership structure, with UEEGCL holding 100% of our shares. In March 2014, the Ministry of Finance decided that UEEGCL’s capital investment in the Company would be 75% debt and 25% equity effective July 31, 2013. As a consequence, 75% of the capital contributions advanced by the GoRTT through UEEGCL of U.S.\$568,023 thousand was included in UEEGCL’s balance owed as of December 31, 2013 and was considered a liability to be repaid with the proceeds of a short-term loan. As of June 30, 2016, the amount of this liability owed to UEEGCL was U.S.\$228,023 thousand. See “*Use of Proceeds*”.

The Plant was designed and built by MAN Ferrostaal of Germany, the engineering and construction subsidiary of MAN AG, a world-renowned service provider with operations in over 40 countries, pursuant to the EPC Contract. TGU’s partner AES reviewed and approved the design of the Plant. The major cost component was the EPC Contract (consisting of an offshore supply contract and onshore construction contract) in the amount of U.S.\$708,000 thousand executed by MAN Ferrostaal and managed by TGU. The Plant is a state of the art fully operational combined cycle gas fired plant operating with proven technology utilizing reputable original equipment manufacturers (“OEMs”), and constitutes the lowest all in cost electricity generation facility in Trinidad and Tobago.

The Plant was commissioned in three phases in accordance with the EPC Contract and has been supplying the Trinidad and Tobago national grid with power since August 2011. Since the commissioning of Phase 1A in 2011, the Plant has achieved in excess of 130,000 fired hours with an average equivalent availability of over 94%. Phase 1 of the project, with a generation capacity of 450 MW, was put into commercial operations in 2011, while Phase 2, with a capacity of 270 MW was put into commercial operations in December of 2012. As a result, the Plant is 100% operational and no longer subject to a construction risk or initial performance benchmarks. The Plant has been able to maintain an average annual availability above 93% in four out of the past five operating years, falling marginally below 93% annual availability in 2013 which was the post-commissioning year, and even when annual availability was below 93%, we still received capacity payments for the percentage achieved, less liquidated damages.

In 2009, when TGU entered into the 30-year PPA, it was for 720 MW at 93% annual availability with two parties, T&TEC and Alutrint Limited (“Alutrint” and collectively with T&TEC, the “Buyers”), who had joint and several obligations under the PPA. The Alutrint plant was an aluminum project based in La Brea that was being developed by the GoRTT. This project was publicly canceled by the GoRTT in 2010 due, in part, to environmental concerns. During the period from mid-2012 through 2015, there was a dispute regarding the respective payment obligations of T&TEC and Alutrint under the PPA, despite the joint and several obligations of the Buyers under the

PPA. During this period, T&TEC paid monthly payments of approximately 50% of the amounts due to TGU under the PPA, while acknowledging the debt for the other 50%. Additionally, during this period, T&TEC and TGU were actively in discussions with the Ministry of Finance and the Ministry of Energy Industries regarding the treatment of the cancellation of the Alutrint plant under the PPA. Following those discussions, it was resolved and agreed that the joint and several obligation under the PPA meant that the cancellation of the Alutrint plant did not affect T&TEC's payment obligations for the full amount due under the PPA or, consequently, TGU's rights to receive full payment. The full amount of the overdue payments (including accrued interest thereunder) was made by T&TEC in August 2015, in the amount of U.S.\$252,624 thousand. Since then, all payments have been made on time for amounts billed in accordance with the provisions of the PPA. See *"Risk Factors—Risks Related to Our Business—We are dependent on a single offtaker to make capacity payments and purchase all electricity produced by the Plant pursuant to the PPA"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations—T&TEC Delayed Payments Under the PPA"*.

With the cancellation of the Alutrint plant, T&TEC is now the only entity able to accept power from the Plant, and the only purchaser of power from TGU. At the time of such cancellation, T&TEC's transmission infrastructure did not allow the entire TGU output of 720 MW to be distributed to the load centers. T&TEC has since made significant efforts to fully utilize the availability of the Plant's low-cost and efficient production of power, placing significant focus on developing the transmission infrastructure needed to allow the entire TGU output to be placed on the national grid. Initially the construction of a new substation (the "Gandhi Substation") in 2014 was done specifically to support the transmission of remaining capacity of the Plant. The first transformer at the Gandhi Substation was commissioned in March 2015, which increased the total capacity that can be supplied from the Plant to 570 MW under normal dispatch conditions and 720 MW under emergency conditions according to T&TEC. The second transformer at the Gandhi Substation is anticipated to be completed in December 2016, which will allow the Plant to supply the full 720MW of capacity to the grid on a continuous basis. T&TEC is also reviewing its existing PPAs with other suppliers as they expire, with a view to replacing capacity contracted from older, less efficient and less reliable simple cycle plants with capacity from the more reliable and efficient combined cycle TGU plant. In January 2016, for example, T&TEC reduced PowerGen's contracted capacity from 819 MW to 624 MW when it renewed PowerGen's expiring PPA. This reduction was concurrent with the closure of PowerGen's Port of Spain power plant which had an installed capacity of 308 MW. We believe that T&TEC's development work in both southern and northern parts of the country has enabled TGU to deliver significantly more power into T&TEC's network. See *"Industry and Regulation"*.

### **Our Controlling Shareholder**

The GoRTT indirectly owns 100% of our shares through its 100% ownership of our sole shareholder, UEEGCL. GoRTT is also the guarantor of all payment obligations of T&TEC pursuant to our PPA. For more information on GoRTT, see *"The Republic of Trinidad and Tobago"*.

### **Corporate Information**

Our registered office is located at 128 Mulchan Suechan Road, Third Floor, Colfire Building, Chaguanas, 501342, Trinidad and Tobago. Our telephone number is +1 (868) 665-9740.

### **Recent Developments**

On July 7, 2016, we entered into a U.S.\$600.0 million syndicated bridge facility (the "Syndicated Bridge Facility") with Credit Suisse AG, Cayman Islands branch as administrative agent and various financial institutions as lenders thereto, which is scheduled to mature on July 5, 2017. We intend to use the net proceeds from this offering, together with cash on hand and other funds available to us, to refinance amounts outstanding under the Syndicated Bridge Facility. Furthermore, we expect to execute and file all necessary documentation for the release and discharge of security interests in collateral pledged under the Syndicated Bridge Facility as soon as practicable following the completion of this offering. See *"Use of Proceeds"* for a description of the estimated application of proceeds from this offering, and *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Material Indebtedness—Syndicated Bridge Facility"* for a description of the terms of the Syndicated Bridge Facility.

On September 30, 2016, the Minister of Finance presented to the Parliament of the Republic of Trinidad and Tobago the Budget Statement for 2017 (the “2017 Budget Statement”), which included a proposal to sell 20% of UEEGCL’s ownership interest in us to government-owned institutional investors, such as the National Insurance Board and the Trinidad and Tobago Unit Trust Corporation. The Minister of Finance indicated an expectation that the transaction would generate TT\$600.0 million for the GoRTT, which is not a reflection of the value of the ownership interest since such valuation has not yet occurred. The Minister of Finance also indicated in the debate on The Appropriation (Financial Year 2017) Bill 2016 that the investment in TGU shares by institutional investors, such as the National Insurance Board and the Trinidad and Tobago Unit Trust Corporation, would be expected to improve the revenue yield of such institutional investors. As of the date of this offering memorandum, the budget remains under parliamentary review and has not yet been passed into law, and accordingly, the occurrence, timing and terms of any such sale have not yet been determined.

The 2017 Budget Statement covers the period from October 1, 2016 to September 30, 2017 (“fiscal year 2017”). For fiscal year 2017, the GoRTT’s revenue is estimated to be TT\$47,441 million, with the major contributor being taxes on income and profits. For fiscal year 2017, the GoRTT’s expenditure is targeted at TT\$53,475 million. The overall deficit for fiscal year 2017 is estimated to be 3.9% of GDP, or approximately TT\$6,000 million, which is planned to be funded from both external and domestic sources. The estimates in the 2017 Budget Statement are predicated on oil and gas price assumptions of U.S.\$48 to U.S.\$50 per barrel and U.S.\$2.25 per mmbtu, respectively.

## THE OFFERING

*The following is a brief summary of terms of the notes. For a more complete description of the terms of the notes, see “Description of the Notes”.*

Issuer .....	Trinidad Generation Unlimited.
Securities Offered .....	U.S.\$600,000,000 aggregate principal amount of 5.250% of Senior Unsecured Notes due November 4, 2027.
Issue Price.....	98.320%, plus accrued interest, if any, from November 4, 2016.
Maturity Date.....	November 4, 2027.
Interest .....	The notes will accrue interest at a rate of 5.250% per year, payable semiannually in arrears on May 4 and November 4 of each year, commencing on May 4, 2017.
Ranking .....	<p>The notes will be senior obligations, and will, at all times, be <i>pari passu</i> in right of payment with all of our other existing and future unsecured and unsubordinated debt, except for those obligations preferred by operation of Trinidad and Tobago law.</p> <p>As of June 30, 2016 our total outstanding indebtedness was U.S.\$522,660 thousand, which included our total outstanding short term loans of U.S.\$294,578 thousand, which were secured. As adjusted for this offering and the use of proceeds therefrom, our total outstanding debt would be U.S.\$600,059 thousand, of which U.S.\$0 would be secured.</p>
Additional Amounts .....	All payments of principal, premium, if any, and interest in respect of the notes will be made without withholding or deduction for any taxes or other governmental charges imposed by or within Trinidad and Tobago or any other jurisdiction in which we or any successor of us under the indenture is organized or incorporated or any paying agent is located or, in each case, any political subdivision or governmental authority therein or thereof having the power to tax, unless such withholding or deduction is required by law or by the interpretation or administration thereof. In that event, subject to certain exceptions, we will pay such additional amounts as are necessary to ensure that the holders of the notes receive the same amounts as they would have received in the absence of such withholding or deduction. See “Description of the Notes—Additional Amounts”.
Optional Redemption.....	The Issuer may redeem the notes, at its option, in whole or in part, at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the outstanding principal amount of the notes, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed discounted to the date of redemption on a semiannual basis plus a “make-whole” premium, in each case plus accrued and unpaid interest to the date of redemption. See “Description of the Notes—Optional Redemption—Make-Whole Redemption”.

Certain Covenants.....	<p>The indenture will contain certain covenants that restrict our ability to:</p> <ul style="list-style-type: none"> <li>• create liens (subject to permitted liens);</li> <li>• engage in sale and leaseback transactions;</li> <li>• engage in certain businesses that are not related to our operation of the Plant;</li> <li>• amend the terms of our PPA; or</li> <li>• subject to compliance with certain conditions, merge or consolidate with another entity or sell substantially all of our assets to another entity.</li> </ul> <p>However, these covenants are subject to significant exceptions. See “<i>Description of the Notes—Covenants</i>”.</p>
Change of Control .....	<p>If we experience a change of control and cease to be directly or indirectly (i) majority owned by the GoRTT or (ii) under the control of the GoRTT, we may be required to make an offer to purchase the notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest to, but not including, the repurchase date. See “<i>Description of the Notes—Repurchase of Notes upon a Change of Control</i>”.</p>
Use of Proceeds .....	<p>We intend to use the net proceeds from the sale of the notes, together with cash on hand and other funds available to us, to repay in full the U.S.\$600.0 million Syndicated Bridge Facility with Credit Suisse AG, Cayman Islands branch, as administrative agent, and other financial institutions as lenders. See “<i>Use of Proceeds</i>”.</p>
Form of notes, Clearing and Settlement .....	<p>The notes will be issued in book-entry form, without interest coupons, in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The notes will be delivered through the facilities of the Depository Trust Company (“DTC”), for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V., as the operator of the Euroclear System (“Euroclear”) and Clearstream Banking, <i>société anonyme</i> (“Clearstream”). The notes will be represented by global notes registered in the name of Cede &amp; Co. a nominee of DTC. Owners of beneficial interests in notes held in book-entry form will not be entitled to receive physical delivery of certificated notes except in certain limited circumstances.</p>
Transfer Restrictions.....	<p>The notes have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction. As a result, the notes will be subject to certain restrictions on transfer and resale. See “<i>Transfer Restrictions</i>”.</p>
Listing and Trading .....	<p>Approval in-principle has been received from the SGX-ST for the listing and quotation of the notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval in-principle from the SGX-ST and admission of the notes to the Official List of the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, its subsidiaries (if any), its associated companies (if any), its joint venture companies (if any) or the notes. The notes will be in minimum denominations of U.S.\$200,000 each or integral multiples of U.S.\$1,000 in excess thereof. The notes will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000</p>

for so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require. We cannot assure you, however, that this application will be accepted, or if accepted, that the notes will remain so listed.

So long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require, we shall appoint and maintain a paying agent in Singapore, where such notes may be presented or surrendered for payment or redemption, in the event that the global notes representing such notes is exchanged for definitive notes. In addition, an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the definitive notes or, as the case may be, notes including details of the paying agent in Singapore.

Governing Law ..... State of New York

Trustee, Registrar, Transfer Agent and  
Paying Agent ..... U.S. Bank National Association

Singapore Listing Agent ..... Clifford Chance Pte. Ltd.

No Established Trading Market ..... The notes are a new issue of securities with no established trading market. We cannot assure you that an active or liquid trading market for the notes will develop. If an active or liquid trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected.

Risk Factors ..... Investing in the notes involves risks. You should carefully consider the risk factors discussed under the caption “*Risk Factors*” before purchasing any notes.

## SUMMARY FINANCIAL AND OPERATING DATA

The following tables present our summary financial and operating data. The summary financial data as of and for the years ended December 31, 2015, 2014 and 2013 presented below have been derived from our audited annual financial statements included elsewhere in this offering memorandum. The summary financial data as of June 30, 2016 and for the six month periods ended June 30, 2016 and 2015 has been derived from our unaudited condensed interim financial statements. Our historical results for any prior period are not necessarily indicative of results expected in any future period.

You should read the summary financial and operating information set forth below in conjunction with the sections entitled “Financial Information”, “Use of Proceeds”, “Capitalization”, “Selected Financial and Operating Data”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as in conjunction with our audited annual financial statements and notes thereto and unaudited condensed interim financial statements and notes thereto included elsewhere in this offering memorandum.

The following table presents our summary statement of comprehensive income:

Summary Statement of Comprehensive Income	Six Month Period Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(Unaudited)		(in thousands of U.S. Dollars)		
			(Audited)		
<b>Revenue</b>					
Finance lease income <sup>(1)</sup> .....	50,594	50,818	101,534	101,916	102,263
Other revenue .....	1,251	-	3,887	3,804	75,567
Total Revenue .....	51,845	50,818	105,421	105,720	177,830
<b>Expenses</b>					
Administrative expenses .....	(7,170)	(6,371)	(13,943)	(13,892)	(14,681)
Operating expenses .....	(6,709)	(4,886)	(10,193)	(6,381)	(4,755)
Total Expenses .....	(13,879)	(11,257)	(24,136)	(20,273)	(19,436)
<b>Operating profit</b> .....	37,966	39,561	81,285	85,447	158,394
Finance expenses .....	(5,560)	(47)	(4,731)	(5)	(13)
Finance income .....	6,239	5,278	6,848	7,332 <sup>(2)</sup>	2,152 <sup>(3)</sup>
<b>Profit before tax</b> .....	38,645	44,792	83,402	92,774	160,533
Taxation .....	(8,751)	(11,355)	(22,036)	(23,314)	(41,689)
<b>Net profit for the period/year</b> ....	29,894	33,437	61,366	69,460	118,844
Other comprehensive income .....	-	-	-	-	-
<b>Total comprehensive income</b> .....	29,894	33,437	61,366	69,460	118,844

- (1) Under IFRS IAS 17 “Leases”, we account for the rights under our PPA as a finance lease and as a result recognize an account receivable balance on our statement of financial position at an amount equal to the amount of our net investment in the lease represented by the PPA. Our lease payment receivable is composed of a principal component (which is adjusted over time on our statement of financial position, with such adjustment only recorded as a cash inflow in the cash flow statements) that is not recognized as income in our statement of comprehensive income. We refer to this portion of the lease payment receivable as “finance lease collections”. The interest component of our lease payment receivable is recognized as finance lease income over the term of the PPA. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Estimates—Leases”.
- (2) This amount is U.S.\$7,327 thousand in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum as a result of netting a U.S.\$5 thousand bank charge reflected as finance expenses.
- (3) This amount is U.S.\$2,139 thousand in our audited annual financial statements as of and for the year ended December 31, 2013, which are presented as comparative information included in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum, as a result of netting a U.S.\$13 thousand bank charge reflected as finance expenses.

The following table presents our summary statement of financial position data:

Summary Statement of Financial Position	As of June 30,		As of December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
<b>Assets</b>	<i>(Unaudited)</i>		<i>(Audited)</i>		
<b>Non-current assets</b>					
Property, plant and equipment .....	31,386	22,575	25,016	17,265	19,514
Net investment in leased assets <sup>(1)</sup> .....	727,223	731,703	729,091	733,609	737,364
Deferred tax assets .....	79,497	94,910	85,956	105,487	44,416
Total non-current assets .....	838,106	849,188	840,063	856,361	801,294
<b>Current assets</b>					
Cash and short-term deposits .....	95,930	93,458	94,885	91,582	82,831
Net investment in leased assets <sup>(1)</sup> .....	4,479	4,270	4,518	3,755	3,366
Trade and other receivables .....	22,427	223,121	11,383	186,134	100,890
Tax recoverable.....	1,001	1,003	1,001	1,003	1,003
Inventories.....	9,751	9,814	9,403	8,724	6,048
Total current assets.....	133,588	331,666	121,190	291,198	194,138
<b>Total assets.....</b>	<b>971,694</b>	<b>1,180,854</b>	<b>961,253</b>	<b>1,147,559</b>	<b>995,432</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Stated capital.....	189,400	189,400	189,400	1	1
Capital contributions .....	—	—	—	189,399	189,399
Retained earnings.....	72,284	236,462	42,390	203,024	134,564
Total equity .....	261,684	425,862	231,790	392,424	323,964
<b>Non-current liabilities</b>					
Deferred tax liabilities.....	181,753	178,405	179,945	177,786	93,717
<b>Current liabilities</b>					
Trade and other payables .....	5,581	4,168	6,861	4,235	4,056
Dividends payable .....	—	4,000	4,000	4,000	3,000
Due to related parties .....	228,082	568,082	238,404	568,404	569,926
Short term loans .....	294,578	—	300,237	—	—
Tax payable.....	16	337	16	710	769
Total current liabilities.....	528,257	576,587	549,518	577,349	577,751
<b>Total liabilities .....</b>	<b>710,010</b>	<b>754,992</b>	<b>729,463</b>	<b>755,135</b>	<b>671,468</b>
<b>Total equity and liabilities .....</b>	<b>971,694</b>	<b>1,180,854</b>	<b>961,253</b>	<b>1,147,559</b>	<b>995,432</b>

- (1) On an annual basis, the net investment in leased assets is reduced by the amount of the finance lease collections attributable to the period/year. These finance lease collections amounted to U.S.\$1,907 thousand and U.S.\$1,392 thousand for the six months ended June 30, 2016 and June 30, 2015, respectively, and U.S.\$3,754 thousand, U.S.\$3,366 thousand, U.S.\$3,019 thousand, for the years ended December 31, 2015, 2014 and 2013, respectively.

The following table presents our summary statement of cash flows for the periods presented:

	Six Month Period Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
	<i>(Unaudited)</i>		<i>(Audited)</i>		
<b>Summary Statement of Cash Flows</b>					
Net cash generated from/(used in)					
operations.....	12,815	8,823	265,657	9,024	(29,706)
Net cash used in investing activities .....	(20,525)	(10,113)	(13,721)	(10,273)	(29,902)
Net cash (used in)/generated from					
financing activities .....	(4,000)	—	(251,763)	—	30,000
Net (decrease)/increase in cash and cash					
equivalents .....	(11,710)	(1,290)	173	(1,249)	(29,608)
Cash and cash equivalents at beginning of					
the period/year .....	31,755	31,582	31,582	32,831	62,439
<b>Cash and cash equivalents at end of the</b>					
<b>period/year.....</b>	<b>20,045</b>	<b>30,292</b>	<b>31,755</b>	<b>31,582</b>	<b>32,831</b>

#### Key Financial and Other Operating Data

The following tables set forth certain key financial and operating data for the periods presented:

	Six Month Period		Year Ended December 31,		
	Ended June 30,				
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars, except as otherwise indicated)</i>				
Adjusted EBITDA <sup>(1)</sup> .....	41,005	41,943	86,980	90,671	90,068
Interest coverage ratio <sup>(2)</sup> .....	7.7	-	69.0	-	-
Total debt <sup>(3)</sup> .....	294,578	-	300,237	-	-
Total debt / Total equity .....	1.1	-	1.3	-	-
Net debt <sup>(4)</sup> .....	198,648	-	205,352	-	-
Total debt / Adjusted EBITDA .....	n.m.	-	3.5	-	-
Net debt / Adjusted EBITDA .....	n.m.	-	2.4	-	-
Installed capacity at end of period (MW).....	720	720	720	720	720
Equivalent availability during the period (%) .....	91.65	89.73	93.74	94.20	92.25
Energy generated (GWh) .....	1,700.39	1,337.35	2,745.34	2,232.76	1,843.92

n.m.: not meaningful

- (1) We define “Adjusted EBITDA” for each period as net profit less finance income plus finance expenses, taxation, depreciation and finance lease collections less a one-time liquidated damages payment received from MAN Ferrostaal in 2013 pursuant to the EPC Contract for late delivery of the Plant. Adjusted EBITDA is not recognized under IFRS or any other generally accepted accounting principles as a measure of financial performance and should not be considered as a substitute for net income, cash flow from operations or other measures of operating performance or liquidity determined in accordance with IFRS. Adjusted EBITDA presents limitations that impair its use as a measure of our profitability since it does not take into consideration certain costs and expenses that result from our business that could have a significant effect on our net income.

The following table sets forth a reconciliation of our net profit for the period/year to our Adjusted EBITDA for the periods presented:

	Six Month Period Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
Net profit for the period/year .....	29,894	33,437	61,366	69,460	118,844
Finance income .....	(6,239)	(5,278)	(6,848)	(7,332) <sup>(3)</sup>	(2,152) <sup>(4)</sup>
Finance expenses .....	5,560	47	4,731	5	13
Taxation .....	8,751	11,355	22,036	23,314	41,689
Operating profit .....	37,966	39,561	81,285	85,447	158,394
Depreciation .....	1,132	990	1,941	1,858	1,893
Finance lease collections .....	1,907	1,392	3,754	3,366	3,019
Liquidated damages <sup>(1)</sup> .....	0	0	0	0	(73,238)
<b>Adjusted EBITDA <sup>(2)</sup> .....</b>	<b>41,005</b>	<b>41,943</b>	<b>86,980</b>	<b>90,671</b>	<b>90,068</b>

(1) Represents a one-time liquidated damages payment received from MAN Ferrostaal pursuant to the EPC Contract for late delivery of the Plant. See "Management's Discussion and Analysis of Financial Condition and Results of Operation—Material Factors Affecting Results of Operations—Liquidated Damages Payments".

(2) Adjusted EBITDA is a non-IFRS measure. For a discussion of our calculation of Adjusted EBITDA and a reconciliation of our net income to our Adjusted EBITDA, see "Summary Financial and Operating Data".

(3) This amount is U.S.\$7,327 thousand in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum as a result of netting a U.S.\$5 thousand bank charge reflected as finance expenses.

(4) This amount is U.S.\$2,139 thousand in our audited annual financial statements as of and for the year ended December 31, 2013, which are presented as comparative information included in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum, as a result of netting a U.S.\$13 thousand bank charge reflected as finance expenses.

(2) Our interest coverage ratio is defined as Adjusted EBITDA divided by interest expense.

(3) Total debt means short term loans.

(4) Net debt is calculated as total debt minus cash and short -term deposits. Net debt is not recognized under IFRS or any other generally accepted accounting principles as a measure of financial performance and should not be considered as a substitute for total debt or other measures of operating performance or liquidity determined in accordance with IFRS. Other companies may calculate net debt differently, and therefore this presentation of net debt may not be comparable to other similarly titled measures used by other companies. The table below sets forth a reconciliation of our total debt to net debt.

	As of June 30,		As of December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
Total debt <sup>(1)</sup> .....	294,578	-	300,237	-	-
Cash and short-term deposits .....	95,930	93,458	94,885	91,582	82,831
<b>Net debt .....</b>	<b>198,648</b>	<b>(93,458)</b>	<b>205,352</b>	<b>(91,582)</b>	<b>(82,831)</b>

(1) Total debt means short term loans.

## RISK FACTORS

You should carefully consider the risks described below together with all of the other information included in this offering memorandum. If any of the following risks actually occurs, it may materially harm our business, financial condition, results of operations and liquidity. While we have described all of the risks we consider material, these risks are not the only ones we face. We are also subject to the same risks that affect many other companies, such as technological obsolescence, labor relations, geopolitical events and climate change. Additional risks not known to us or that we currently consider immaterial may also impair our business operations. Additionally, this offering memorandum also contains forward-looking statements that involve additional risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this offering memorandum. See “Cautionary Statement Regarding Forward Looking Statements”.

### **Risks Related to Our Business**

***We are dependent on a single offtaker to make capacity payments and purchase all electricity produced by the Plant pursuant to the PPA.***

Our cash flows and results of operations are dependent upon the continued ability of T&TEC to meet its obligations under the PPA and of GoRTT to meet its obligations under the Guarantee. We do not anticipate or expect to have any source of revenues during the term of the PPA other than capacity payments and electricity sold under the PPA. Under the current regulatory framework in Trinidad and Tobago and under the PPA, we can only sell power to T&TEC, the only authority in the country authorized to purchase power, and payments by T&TEC will constitute all of the Plant’s expected revenues through the maturity date of the notes. In addition, we may not always be able to, if at all, fully anticipate, detect, or protect against deterioration in T&TEC’s or GoRTT’s creditworthiness and overall financial condition, or other circumstances which may cause delays or disputes related to contractual payments by T&TEC or GoRTT and there can be no assurance that T&TEC will fulfill its obligations under the PPA or that T&TEC will not become insolvent or that upon any such insolvency T&TEC will not have difficulty fulfilling its obligations under the PPA.

For example, from mid-2012 to 2015, capacity payments under the PPA from T&TEC were partially delayed due to a dispute regarding the respective payment obligations of T&TEC and Alutrint under the PPA. For the period from mid-2012 August 2015, T&TEC paid monthly payments of approximately 50% of its contracted amounts while acknowledging the debt for the other 50%. TGU initiated discussions with T&TEC and the applicable government ministries following which the matter was resolved. Although the full amount of the overdue payments was made in August 2015 together with accumulated interest, during the period of the dispute we received only 50% of our contractual capacity payments. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—T&TEC Delayed Payments Under the PPA*”.

If the creditworthiness or overall financial condition of T&TEC or GoRTT were to deteriorate in the future, if they are unable or unwilling to meet their obligations under the PPA or the Guarantee, respectively, or if there are other circumstances that give rise to unanticipated delays or disputes with regard to PPA payments, we would face an increased risk of non-payment or other default under the PPA, which could materially adversely affect our cash flows, financial results and our ability to pay the notes.

***Our only operating asset is the Plant and any damage or other event affecting the Plant could materially adversely affect our results of operations and ability to make payments on the notes.***

Our principal asset is our Plant and all of our revenues derive from payments under the PPA. As a result, in order to make payments on the notes, we are dependent upon the cash flows generated by the Plant pursuant to the PPA. In the event that the Plant is unavailable for any reason, our cash flows will be adversely affected, and consequently our ability to make payments on the notes could be materially adversely affected.

In addition, pursuant to the terms of our PPA, the payments we are entitled to receive from T&TEC are linked to the capacity we make available and the energy delivered and, in case we fail to achieve certain minimum

capacity availability due to circumstances that are not excused by the PPA, we are required to pay liquidated damages and the capacity payments due to us from T&TEC would decrease. We do not expect and you should not assume that we will meet the required capacity availability every year. Any significant reduction of payments under the PPA and our obligation to pay liquidated damages as a result of inability to meet the required capacity availability could materially and adversely affect our results of operations and ability to make payments on the notes. See “*Business—Material Documents Relating to the Plant—PPA and Related Guarantee*”.

***Our PPA is subject to risks of termination.***

Our PPA may be terminated unilaterally in accordance with its terms. For example, under our PPA, if certain force majeure events occur and continue for a period of over twenty-four consecutive months, T&TEC can terminate the PPA without being required to pay damages to us, and GoRTT will be relieved from its obligations under the Guarantee. See “*Business—Material Documents Relating to the Plant—PPA and Related Guarantee*”.

In addition, in the event of certain breaches of the PPA by us, T&TEC will be entitled to terminate the PPA without being required to continue making capacity or other payments to us, and the GoRTT will be relieved from its obligation to make payments under the Guarantee.

The termination of our PPA, or its modification, in a manner materially adverse to our interests for reasons beyond our control or due to our breach of the PPA, would have a material adverse effect on our business, results of operations and financial condition, and on our ability to make payments on the notes.

***We may suffer from a significant interruption of service, which could affect our right to receive capacity payments under the PPA and adversely affect our business, results of operations and financial condition.***

Although we conduct a comprehensive maintenance program, we may not be able to prevent service interruptions due to technical failures. Much of our equipment is installed outdoors and is subject to the weather conditions that affect Trinidad and Tobago from time to time. As a result, this equipment may incur weather-related damage as well as wear-and-tear from aging, which in certain instances may cause us to have a reduction in capacity available to T&TEC. Furthermore, we may suffer from significant and prolonged interruptions of service in our facilities due to natural disasters (e.g., hurricanes, earthquakes, flooding and/or tsunamis), accidents, sabotage, terrorist acts or failure of our technical systems or emergency maintenance plans. Such interruption of services may affect our plant’s availability and consequently affects our right to receive capacity or other payments under the PPA. If our plant is wholly or partially inoperable due to certain force majeure events (other than force majeure events affecting the Buyer, regulatory force majeure and those events described under “*Business — Material Documents Relating to the Plant—PPA and Related Guarantee*”) our receipt of capacity or other payments could be interrupted. This could adversely affect our business, financial condition and results of operations and thus, our ability to make payments on the notes.

Additionally, we may be subject to penalties in case of any defaults by us under our PPA. Under our PPA, we receive a capacity payment that is reduced if we do not meet the minimum available capacity set out in the PPA and we are subject to liquidated damages. If our capacity availability on an annual basis falls below 93.0% for a cause that is not excused under the PPA, a specific capped penalty is imposed and we are only paid for the lower capacity that we have made available. For example, liquidated damages amounting to U.S.\$35 thousand were deducted from the December 2013 capacity payment under the PPA, since the minimum capacity available for the year 2013 was not achieved.

Any liquidated damages or reduction of the amounts received by us as a result of a reduction in capacity availability could materially and adversely affect our financial position, the value of our assets, our results or operations and business.

***The PPA does not provide for termination compensation payments, and the nature of the payment obligations under the Guarantee may make it difficult for holders of notes to accelerate payments under the notes in the event of certain defaults under the PPA.***

If any party to the PPA defaults on its obligations under the PPA, absent certain circumstances, the non-breaching party may decide to terminate the PPA. Furthermore, the PPA does not provide for a lump sum termination payment. Therefore, in the event that T&TEC defaults under its obligations pursuant to the PPA, TGU's recourse is to call on the GoRTT to make such capacity and other payments to TGU pursuant to the terms of the GoRTT Guarantee. Since the GoRTT's obligation to make capacity and other payments to TGU under the GoRTT Guarantee is identical to the obligation owed by T&TEC to make periodic capacity payments to TGU based on availability and energy delivered, any amounts owed pursuant to the Guarantee will be paid as they accrue monthly. See "*Business—Material Documents Relating to the Plant—PPA and Related Guarantee—The Guarantee by GoRTT*".

As a result of the periodic nature of payments pursuant to the Guarantee, therefore, holders of the notes will have difficulty enforcing any indenture provision providing for acceleration of payments due under the notes in the event that T&TEC defaults under its obligations pursuant to the PPA.

Additionally, if TGU defaults on its payment obligations and T&TEC decided to terminate the PPA, we would not be entitled to receive any future payments, which could materially and adversely affect our ability to make payments on the notes.

***Contractual relationships with TGU and affiliates of our sole shareholder could lead to conflicts of interests***

The GoRTT beneficially owns 100% of both UEEGCL, which owns 100% of TGU, and of T&TEC, our sole offtaker. Our shareholder has the power to determine the outcome of all matters that require shareholders' votes, such as the election of our board members and, subject to contractual and legal restrictions, the distribution of dividends. They can also exercise influence over our operations and business strategy. Our sole shareholder may have a potential conflict of interest associated with T&TEC given the fact that T&TEC is our counterparty under the PPA. As a result, our shareholder may have conflicts of interests in determining whether to initiate collection proceedings against T&TEC or to enforce TGU's rights under the Guarantee against the GoRTT. See "*Related Party Transactions*".

***Unavailability of water supply may adversely affect our operations and financial condition.***

Our operations depend, to a certain extent, on adequate flows and supplies of water. Although our PPA provides that in the event there is insufficient water supply to allow the Plant to operate at levels it would otherwise obtain (provided such insufficiency is not the fault of TGU) T&TEC is nonetheless required to make the capacity payments, such protection is not applicable to lack of water caused by force majeure events including nationwide or generalized drought causing a reduction in fresh water availability. A disruption in our water supply due to such a force majeure event would affect our right to receive payment under the PPA, which could adversely affect our business, financial condition and results of operations and, thus, our ability to make payments on the notes.

***Our insurance policies may not fully cover damage, and we may not be able to obtain insurance against certain risks.***

These policies cover our assets against loss for physical damage, loss of revenue from business interruptions and also third-party liability. However, we cannot assure you that the scope of damages suffered in the event of a natural disaster or catastrophic event would not exceed the policy limits of our insurance coverage. A major claim for damages could have a material impact on our business, financial condition, results of operations or prospects. In addition, we may be required to pay insurance deductibles, which are not recoverable, in order to utilize our insurance policies. We maintain all-risk physical damage coverage for losses resulting from, but not limited to, earthquakes, fire, explosions, floods, windstorms, hurricanes, strikes, riots, mechanical breakdowns and business interruption. Our level of insurance may not be sufficient to fully cover all losses that may arise in the course of our business or insurance covering our various risks may not continue to be available in the future. In

addition, we may not be able to obtain insurance on comparable terms in the future. We may be materially and adversely affected if we incur losses that are not fully covered by our insurance policies and such losses could have a material adverse effect on our business, financial condition, results of operations or liquidity. For further information on our insurance policies, see “*Business—Insurance*”.

***We require qualified personnel to manage and operate our business.***

We require qualified and competent management to direct day-to-day business activities, and service our offtaker, suppliers and other stakeholders. The services offered by our business are highly technical in nature and require specialized training and/or physically demanding work. Therefore, we must be able to retain employees and professionals with the skills necessary to maximize the value of our business. This includes developing talent and leadership capabilities in Trinidad and Tobago, where the depth of skilled employees may be limited. Changes in demographics, training requirements and/or the unavailability of qualified personnel could negatively impact the ability of our business to meet these demands. In addition, we could be affected by industrial unrest or work stoppages by third parties.

If we fail to train and retain qualified personnel, or if they experience excessive turnover or work stoppages, we may experience declining production, maintenance delays or other inefficiencies, increased recruiting, training or relocation costs and other difficulties, any of which could have a material adverse effect on our business, financial condition, results of operations or liquidity.

***We are dependent on the members of our management team for their knowledge and expertise, and the loss of competent management may adversely affect our business, financial condition and results of operations.***

Our current and future business and performance depends significantly on the continuous contribution of our managers, senior management, and our highly-skilled team of engineers and other key employees. It is also dependent on our ability to attract, train, motivate and retain key management and commercial and technical personnel with the necessary skills and experience. We cannot assure you that we will have the same group of executives in the future, or that in the event that new executives are hired to replace the former executives, they will have comparable knowledge and experience. We cannot assure that we will be successful in retaining and attracting key personnel, and the replacement of any key personnel could be difficult and time consuming. The loss of competent management and the experience and services of key personnel or the inability to recruit suitable replacements or additional staff could have a material adverse effect on our business, results of operations and financial condition, and on our ability to make payments on the notes.

Our success will also be dependent upon the decision-making of our directors. The loss of any or all of our directors could affect the creation or implementation of our short-term plans or long-term strategies or divert our directors’ attention from our strategic initiatives, which could have a material adverse effect on our business, financial condition, results of operations or liquidity.

***The interruption or failure of our information technology, communication and processing systems or external attacks and invasions of these systems could have an adverse effect on us.***

We depend on information technology, communication and processing systems to operate our business. Such systems are vital to our ability to monitor our power plant, operations, maintain generation and network performance, achieve operating efficiencies and meet our service targets and standards. Damage to our networks and backup mechanisms may result in service delays or interruptions and limit our ability to provide capacity availability. Some of the risks to our networks and infrastructure include:

- physical damage to access lines, including theft, vandalism or other similar events;
- energy surges or outages;
- software defects;

- scarcity of network capacity and equipment;
- disruptions beyond our control;
- breaches of security, including cyber-attacks and other external attacks; and
- natural disasters, catastrophic accidents and acts of terrorism.

The occurrence of any such event could cause interruptions in service or reduce our generation capacity, either of which could reduce our revenues or cause us to incur additional expenses. Additionally, based on the data that is stored and processed within our corporate and plant environments, data loss could have a negative impact on us, including the following areas:

- reputation and public relations;
- legal and regulatory related to environment, financial and safety;
- competition;
- security;
- safety; and
- employee morale.

Although we have operational insurance with business interruption coverage that may protect us against specific insured events, we may not be insured for all events or for the full amount of the lost revenue or additional expense. The occurrence of damages to our networks and systems or a breach of data security could have a material adverse effect on our business, financial condition, results of operations or liquidity.

***We lease the land on which the Plant is located pursuant to a lease agreement, our non-compliance with which could limit our access to such land and adversely impact our operations.***

We lease the land on which the Plant is located pursuant to a deed of lease and a memorandum of lease with the National Energy Corporation of Trinidad and Tobago Limited (“NEC”), under which NEC granted us a leasehold interest over two parcels of land situated in La Brea. Our lease agreement for the Plant site provides for a term of approximately 25 years as of the date of this offering memorandum, which may be extended upon agreement by the parties. Our non-compliance with such deed of lease and memorandum of lease with NEC could result in us losing our right to access and use such land. Any of these events could materially adversely affect our ability to operate the Plant and make payments on the notes.

***We operate our business and principal operating assets in a single geographic area, making us vulnerable to risks associated with operation in one geographic area.***

The lack of geographic diversification of our assets may create conditions in which our business operations could be disproportionately severely affected should the region experience:

- severe weather, such as hurricanes, severe storms, landslides, tsunamis and severe flooding;
- delays or decreases in the availability of equipment, spare parts, facilities or service; and
- changes in regulatory requirements.

We can provide no assurances that events such as those described above could not have a material adverse effect on our business, financial conditions and results of operations.

***Operation of the Plant involves risks that could result in lower revenues or higher costs than anticipated.***

The operation of facilities like the Plant involves many risks, including the following:

- turbine or other component performance below expected or contracted levels of output or efficiency;
- turbine shutdowns, outages or curtailment due to wear and tear, design or manufacturing defect or the breakdown or failure of equipment, shortages in equipment or spare parts and related knowledge, or overloads of electricity transmission and distribution grids;
- sources for significant spare parts and other equipment are located outside of Trinidad and Tobago, which can cause delays in procuring such materials. If we were to experience a shortage of or inability to acquire critical spare parts, we could incur significant delays in returning to full operation;
- operator errors or accidents, including failure to operate turbines within design specifications;
- the occurrence of natural and catastrophic events;
- increases in the costs of operations, including costs relating to labor disputes affecting the Plant directly or our contract counterparties, costs relating to operating and maintaining equipment, insurance and real estate taxes;
- inability to operate within limitations that may be imposed by current or future land use, environmental or other regulatory requirements;
- operational hazards, including personal injury and the loss of life;
- failure to pay suppliers on time that could affect delivery of goods and services required for the satisfactory operation of the Plant; and
- disputes with Plant site landowners or adjacent landowners, including nuisance complaints.

For example, in 2012 and 2013, new equipment implementation and start up issues resulted in negative performance for the Plant. The occurrence of any of the foregoing events could significantly reduce or eliminate revenues expected to be received by us, significantly increase the cost of operating the Plant, require substantial capital expenditures or reduce the capacity of the Plant, any of which could materially adversely affect our ability to make payments on the notes.

***T&TEC's grid is subject to the risk of mechanical or electrical failures and any resulting unavailability may affect our ability to fulfill our contractual commitments, adversely affecting our financial performance.***

T&TEC's grid is at risk of mechanical or electrical failure and may experience periods of unavailability. Any unplanned unavailability of T&TEC's grid which continues for forty-five consecutive days may adversely affect our financial performance as the capacity and other payments we collect under the PPA may be significantly restricted, which could materially adversely affect our ability to make payments on the notes.

***We depend on a number of third parties to operate and maintain the Plant.***

We are dependent on third parties to, among other things, receive on a timely basis supplies, services and parts necessary for the Plant to operate and undergo maintenance. For example, we have entered into the Parts and Services Agreement (PSA) with certain GE entities, pursuant to which the GE entities will supply most of the parts

needed and perform comprehensive inspection and maintenance services related to the Plant. If GE or any other entity upon whom we depend for the operation of the Plant fails to perform or breaches its obligations to us under their respective agreements, if we terminate such agreements or if we are unable to find an adequate replacement for GE or any entity upon whom we depend for the operation of the Plant following the expiration of the applicable agreements, our ability to continue operating the Plant, and consequently our ability to meet our obligations under the PPA, could be impaired. Such a failure may lead to our failure to meet our contractual minimum availability and subject us to reductions of capacity payments, or require that we make payments of liquidated damages to T&TEC and other consequences, which could have a material adverse effect on our business, financial condition, results of operations and, thus, our ability to make payments on the notes.

***Coverage and warranties provided by suppliers for the Plant are limited in time and, in the event that we seek warranty protection, such entities may be unable or unwilling to perform their respective obligations under such warranties.***

We benefit from warranties provided by various suppliers in connection with the purchase of certain equipment and components comprising the Plant. These warranties generally expire within, on average, two years, as is customary, after the date the equipment is delivered or commissioned. If we seek warranty protection and any such entity is unable or unwilling to perform its obligations under its respective warranties, whether as a result of its financial condition or otherwise, or if the term of the warranties has expired or a liability limit has been reached, we may suffer a loss or reduction of warranty protection for the affected turbines or other equipment, and consequently we may experience a loss in revenue or increased costs. If either occurs, it could materially adversely affect our financial condition and ability to make payments on the notes.

***TGU has a limited operating history.***

TGU began operations in 2011 upon completion of the construction of Phase I of the Plant. The completion of Phase II occurred in December 2012. However, to date, T&TEC's transmission infrastructure has not allowed the entire TGU output of 720 MW to be distributed to the load centers. As such, TGU has never operated at full capacity.

As a result, TGU is subject to many of the risks common to developing and operating new projects, including cost overruns, cash shortages and limitations with respect to personnel, financial and other resources. There can be no assurance that TGU will have the technical and other capabilities to operate and maintain the Plant on budget. Any disruptions resulting from TGU's limited operating history could adversely affect our ability to make payments on the notes. Additionally, under the PPA a maximum facility availability test, or MDNC test, is required. See "*Business—Material Documents Relating to the Plant—PPA and Related Guarantee—Calculation of Capacity, and Capacity and Energy Payments*". Since the test requires TGU to deliver the entire Plant output of 720 MW, it has not been performed to date due to T&TEC's inability to offtake the full capacity at once. Our expectation is that, upon completion of the second transformer at the Gandhi Substation, the Plant will become able to supply the full 720 MW of capacity to the grid, and the test will be run. When TGU runs its tests for maximum facility availability for the year, there can be no assurance that the sum of the capacity of all the units when running simultaneously will equal 720MW. If our capacity is below 720MW when running all units, such lowered capacity could materially adversely affect our financial condition.

In addition, the financial information included in this offering memorandum only covers our financial position as of June 30, 2016 and for the six month period ended June 30, 2016 and 2015, and as of December 31, 2015, 2014 and 2013. The limited historical financial information available may make it difficult to assess our financial position and operating results for the dates and periods presented, and such limited financial information is not indicative of our future financial position or operating results.

***We are subject to environmental risks and possible claims and lawsuits inherent to the generation of electricity.***

There are environmental risks inherent to the generation of electricity, and accordingly, we may become subject to claims and lawsuits for damages arising from our operations. In particular, we are subject to environmental risks relating to the operation of our gas-fired power plant. The terms of our Certificate of

Environmental Clearance (“CEC”) require us to monitor the emissions of our generation plant and failure to meet the required standards could subject us to fines or remedial action.

Furthermore, our facility is also subject to the regulation of the Environmental Management Authority (“EMA”), which could subject us to fines or remedial action if our emissions exceed permitted levels.

Natural disasters, such as hurricanes, earthquakes, or massive rain storms could adversely affect our operations. Although we have contingency plans in place and insurance against some or all of the risks that we face, we cannot assure you that we will be able to respond to the effects of natural disasters in an effective manner and that our insurance coverage will be adequate.

***The laws of Trinidad and Tobago include anti-bribery and anti-corruption legislation which is less stringent than that of other jurisdictions, and our risk management and internal controls may not be successful in preventing or detecting all violations of law or of company-wide policies.***

The regulatory regime of Trinidad and Tobago includes anti-bribery and anti-corruption legislation which is currently under development and which is less stringent than anti-bribery and anti-corruption legislation which has been implemented in other jurisdictions. Our business is subject to a significant number of laws, rules and regulations, including those relating to anti-bribery and anti-corruption. We are party to agreements governed by New York law with financial institutions located outside of Trinidad and Tobago, and are therefore also subject to certain contractual obligations relating to the anti-bribery and anti-corruption laws, rules and regulations of the jurisdictions in which such financial institutions are located, which may be more stringent than the anti-bribery and anti-corruption laws of Trinidad and Tobago.

Our existing compliance processes and internal control systems may not be sufficient to prevent or detect all inappropriate practices, fraud or violations of law by our employees, contractors, agents, officers or any other persons who conduct business with or on behalf of us. We may in the future discover instances in which we have failed to comply with applicable laws and regulations or internal controls. If any of our employees, contractors, agents officers or other persons with whom we conduct business engage in fraudulent, corrupt or other improper or unethical business practices or otherwise violate applicable laws, regulations or our own internal compliance systems, we could become subject to one or more enforcement actions or otherwise be found to be in violation of such laws, which may result in penalties, fines and sanctions and in turn adversely affect our reputation, business, financial condition and results of operations.

***We are subject to the impact of economic and political factors affecting the GoRTT.***

Since our sole offtaker, T&TEC, and our sole shareholder, UEEGCL, are both directly or indirectly owned by GoRTT, the results of operations and financial condition of our business may be adversely impacted by political, social and economic developments in or affecting Trinidad and Tobago, if those changes relate to, among other things:

- consumption and supply of electricity;
- marginal costs of energy generation and distribution;
- subsidies and incentives;
- mandatory salary increases;
- economic growth;
- currency fluctuations and inflation;
- fiscal policy and interest rates;

- capital control policies and liquidity of domestic capital and lending markets; and
- acquisitions, construction, or dispositions of power assets.

For further information on risk factors relating to Trinidad and Tobago, see “— *Risks Related to Trinidad and Tobago*”. The occurrence of adverse changes on any of the above could have a material adverse effect on our business, financial condition, results of operations or liquidity.

***The GoRTT may claim certain immunities under the Foreign Sovereign Immunities Act and our ability to sue or recover from the GoRTT as guarantor of payment obligations under the PPA may be limited.***

The GoRTT, acting through the Minister of Finance, has granted a guarantee of the payment obligations of T&TEC pursuant to the terms of the PPA. Given that the guarantee has been granted by the GoRTT, we may not be able to obtain a judgment in the courts of England, Trinidad and Tobago or the state of New York in connection to the recognition and enforcement of any award issued by the International Chamber of Commerce (ICC) against the GoRTT, unless any of such courts determine that the GoRTT is not entitled to sovereign immunity with respect to any action or if any of those courts enforce the waiver of immunities under the Guarantee. In addition, under certain circumstances, Trinidad and Tobago law may limit our ability to enforce judgments against GoRTT in the courts of Trinidad and Tobago. We cannot assure that the Trinidad and Tobago courts would enforce judgments of either U.S. or U.K. courts based on a breach of contract claim under the Guarantee. Therefore, even if we were able to obtain a U.S. or U.K. judgment against the GoRTT, we might not be able to enforce a judgment in Trinidad and Tobago based on such U.S. or U.K. judgment.

## **Risks Related to Trinidad and Tobago**

***Trinidad and Tobago’s economy is significantly dependent on natural gas and oil and may not grow at historical rates or may contract in the future, which could have a material adverse effect on its public finances and on the market price of the notes.***

We cannot offer any assurance that Trinidad and Tobago’s economy will grow at historical rates, or at all, in the future. Trinidad and Tobago’s economic growth is significantly dependent on the production and prices of natural gas and oil. While GoRTT is continuing its efforts to diversify Trinidad and Tobago’s economy, there can be no assurance that such efforts will be successful. The petroleum sector continues to be the primary driver of economic activity, accounting for approximately 36.2% and 34.9% of real GDP in calendar years 2014 and 2015, respectively. Continued economic growth in Trinidad and Tobago is dependent on a number of factors, including, but not limited to, continued demand for Trinidad and Tobago’s natural gas and oil and the accuracy of Trinidad and Tobago’s natural gas and oil reserves. Trinidad and Tobago’s proved natural gas reserves were estimated at 12.24 trillion cubic feet and 11.50 trillion cubic feet at December 31, 2013 and 2014, respectively. Trinidad and Tobago’s crude oil resources were estimated at 723 million barrels at December 31, 2012.

The production and demand for, and price of, natural gas and oil is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, demand for and prices of commodities that are produced with natural gas or oil, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels and global economic and political developments. In addition, the production of natural gas and oil may be affected by planned outages at production facilities as a result of routine maintenance and upgrading, or by forced outages as a result of other unforeseen circumstances such as adverse weather, earthquakes, civil unrest and war.

Trinidad and Tobago is also currently in discussions with producers for the renewal of several gas supply contracts that expired or will expire in 2017 and 2018. If Trinidad and Tobago is unable to renew these contracts on favorable terms, or at all, the production and supply of natural gas may be adversely affected.

National Gas Company, the state-owned gas company in Trinidad and Tobago, supplies natural gas to T&TEC. While T&TEC is responsible for delivery of natural gas to TGU under the PPA, if there was no availability of natural gas to deliver to TGU, this could have a material negative impact on TGU’s financial results.

With energy prices having fallen approximately 40% during 2015, exports are estimated to have declined from U.S.\$11.8 billion in 2014 to U.S.\$9.1 billion in 2015, according to estimates by the International Monetary Fund (the “IMF”). In 2016, international oil prices fell below U.S.\$27.00 per barrel for the first time since 2003, with the West Texas Intermediate benchmark crude bottoming out at U.S.\$26.21 in February 2016. The Henry Hub natural gas price has also declined significantly, recording a low of U.S.\$1.73/mmbtu in March 2016. These events have adversely affected Trinidad and Tobago’s economic performance and public finances, since a substantial portion of Trinidad and Tobago’s revenues are, directly and indirectly, derived from the natural gas and oil industries. Accordingly, Trinidad and Tobago’s current revenues fell from TT\$ 57.06 billion in fiscal 2014 to TT\$ 52.2 billion in fiscal 2015. In this period, current revenues from the petroleum sector fell from TT\$ 20.8 billion to TT\$ 12.9 billion. Low energy prices may also lead to spillover effects in the broader economy, such as increases in the GoRTT’s unemployment rate and reduced consumer spending.

In light of the low oil and gas price environment, real GDP growth is forecast to contract by 4.9% in 2016, primarily on account of an expected 5.8% contraction in the petroleum sector, according to estimates by the Ministry of Finance and the IMF. Furthermore, because in certain cases natural gas and oil companies in Trinidad and Tobago use the revenues generated from the sale of natural gas or crude oil to fund the expansion of their operations, a substantial reduction in natural gas and oil prices reduced, or in some cases eliminated, the companies’ ability to continue to fund expansion activities. The persistent low energy price environment may adversely affect Trinidad and Tobago’s economic performance and its public finances.

***Trinidad and Tobago faces competition from other producers of liquefied natural gas (“LNG”).***

In 2015, approximately 55% of Trinidad and Tobago’s natural gas production went towards LNG production and export.

The prices that Trinidad and Tobago can set for its LNG are vulnerable to declines in prices in major international markets. These include the Henry Hub natural gas prices in the United States, National Balancing Point (“NBP”) in the United Kingdom, and LNG prices in Asia, the Middle East and South America. If international sources of LNG production exceed market demand such that there is an oversupply of LNG in major international markets, it would reduce the price of LNG in the Trinidad and Tobago’s export markets and have a material adverse effect on the Trinidad and Tobago’s economic performance and its public finances.

***Estimates of Trinidad and Tobago’s natural gas and oil reserves are uncertain, and have not been audited for a number of years.***

Trinidad and Tobago has significant proven reserves and resources of natural gas and oil. However, the value of the proven reserves is subject to numerous uncertainties. Some of the factors that contribute to the uncertainties are the quality of the available data and its engineering and geological interpretation. The assumptions regarding future prices, availability and demand for natural gas and oil in end user markets and the timing and expenditures necessary to extract the natural gas and oil and bring it to market. All of these factors and assumptions may vary. Furthermore, it has been a number of years since Trinidad and Tobago last conducted an audit of its natural gas and oil reserves. The last natural gas reserve audit was completed in 2014 by Ryder Scott, and the last oil reserve audit was completed in 2011 by Netherland Sewell and Associates Incorporated (NSAI). Each such audit is based on a categorization of proven, possible and probable reserves. Any significant reduction in the estimates of the proven or probable, natural gas and oil reserves of the Trinidad and Tobago could adversely affect the Trinidad and Tobago’s economy and its public finances.

***Adverse external factors, instability in international financial markets and adverse domestic factors have led to reduced growth and decreased foreign investment in Trinidad and Tobago in 2014 and 2015.***

Low natural gas or crude oil prices have decreased GoRTT’s revenues, and are expected to continue to negatively impact such revenues. In addition, recession or low growth in the Trinidad and Tobago’s main trading partners will eventually lead to lower exports. The combination of these factors has adversely affected Trinidad and Tobago’s public finances. Instability or volatility in the international financial markets has led to domestic volatility, making it more difficult for GoRTT’s to achieve its macroeconomic goals. Domestic volatility could also lead to declines in foreign investment in Trinidad and Tobago. Adverse domestic factors, such as inflation, high

interest rates and exchange rate volatility could lead to lower growth in Trinidad and Tobago. There can be no assurance that Trinidad and Tobago will not experience economic problems in the future, including as a result of a global economic crisis, which could have a material adverse effect on its financial condition and its ability to make payments on its debt obligations.

***Inflation may escalate, which could adversely affect Trinidad and Tobago's economic performance and public finances. In particular, Trinidad and Tobago's economy may see increased price pressures in 2016 due in part to reduced fuel subsidies, the depreciation of the TT\$ against the U.S. Dollar and the possibility of domestic food supply disruptions due to adverse weather conditions.***

Inflation in Trinidad and Tobago is primarily driven by food (such as vegetables, fruits and meat) and commodity (such as oil, wheat and barley) prices. Trinidad and Tobago is a small open economy and, as the country imports most of its food, food prices are impacted by both international events and domestic supply conditions. Between 2011 and 2015, with the exception of 2012, headline inflation was well contained relative to historic standards, with inflation averaging 4.7% in 2015 compared with 5.7% and 5.2% in 2014 and 2013, respectively. On a year-on-year basis, headline inflation averaged 3.2% in the first five months of 2016. However, in the short term, headline inflation may experience an uptick from the lows registered thus far in 2016 due to a combination of factors including the recent depreciation of the TT\$ vis-à-vis the U.S. Dollar, the appreciation of the U.S. Dollar against the currencies of Trinidad and Tobago's main trading partners (which, among other things, may inhibit diversification of Trinidad and Tobago's export markets), the expected impact of the increase in fuel prices in April 2016 and possible supply disruptions in the domestic agriculture sector due to adverse weather conditions. While the direct impact on consumers is likely to be limited because of cooling domestic demand in light of softer economic growth, no assurance can be made that the value of the TT\$ will not decline or that other factors will not result in higher rates of inflation given the volatility in food inflation. Any significant increase in the rate of inflation or volatility in the financial markets would undermine confidence in Trinidad and Tobago and may have a material adverse effect on its economic performance.

***Trinidad and Tobago's economy may contract in the future, which could have a material adverse effect on its public finances, the financial strength of T&TEC and on the market price of the notes.***

Trinidad and Tobago's economic growth is significantly dependent on the production and prices of natural gas and oil. The petroleum sector accounted for 36.2% and 34.9% of total real GDP for 2014 and 2015, respectively. Economic growth in Trinidad and Tobago is dependent on a number of factors, including, but not limited to, continued demand for Trinidad and Tobago's natural gas and oil and the accuracy of Trinidad and Tobago's natural gas and oil reserves. With energy prices having fallen approximately 40% during 2015, exports are estimated to have declined from U.S.\$11.8 billion in 2014 to U.S.\$9.1 billion in 2015, according to IMF estimates. In light of this low oil and gas price environment, real GDP growth is forecast to contract by 4.9% in 2016, primarily on account of an expected 5.8% contraction in the petroleum sector, according to estimates by the Ministry of Finance and the IMF.

In addition, economic growth in Trinidad and Tobago is also dependent on the confidence of foreign investors in Trinidad and Tobago and their rates of investment, the willingness of Trinidad and Tobago and businesses to engage in new capital spending, and a stable and relatively low rate of inflation. If Trinidad and Tobago's economic growth begins to slow, contracts, or stops, or if the current level of expenditures increases, Trinidad and Tobago's and thus T&TEC's financial condition would be adversely affected, which could impact the market price of the notes and TGU's ability to service its debt.

***Fluctuations in the value of the TT\$ could have a material adverse effect on Trinidad and Tobago's economy and its ability to service its debt obligations.***

A decrease in the value of the TT\$ with respect to the U.S. dollar, the Japanese yen or the Chinese renminbi, which are the main currencies of Trinidad and Tobago's non-TT\$ denominated debt, will cause an increase in the financial costs of the U.S. dollar-denominated debt of Trinidad and Tobago. We cannot assure you that fluctuations in the value of the TT\$ will not have a material adverse effect on Trinidad and Tobago's economy and its ability to service its debt obligations.

***We cannot assure you that policies imposed by GoRTT in the future will not significantly affect the Trinidad and Tobago's economic performance and its public finances.***

GoRTT has historically played a central role in the development of Trinidad and Tobago's hydrocarbon reserves and has exercised and continues to exercise significant influence over many aspects of Trinidad and Tobago's economy. We cannot assure you that laws and regulations currently governing the economy will not change in the future, whether as a result of efforts to reform the economic system, or that any such changes will be successful or will not result in material adverse effects on Trinidad and Tobago's economic performance or public finances, as well as its ability to honor its foreign currency-denominated debt obligations. The market price of the notes may be adversely affected by changes in policies involving taxation, environmental matters and other political, diplomatic, social or economic developments in or affecting Trinidad and Tobago.

***Debt of state-owned enterprises may have a significant effect on Trinidad and Tobago's economy and its economic performance and public finances.***

The contingent debt of Trinidad and Tobago consists of guaranteed and non-guaranteed liabilities. Guaranteed liabilities comprise government-guaranteed debt and debt secured by letters of comfort or letters of guarantee which are categorized by state-owned enterprise or statutory authority debt. Letters of comfort and letters of guarantee are letters in which Trinidad and Tobago confirms its support for the respective financing arrangement and represents that it will take all necessary steps to fulfill obligations of the enterprise thereunder.

The total contingent debt liability of Trinidad and Tobago is estimated at TT\$ 29.6 billion at June 30, 2016, as compared to TT\$ 31.4 billion at September 30, 2015. This figure includes state-owned enterprise debt as well as statutory authority debt secured by letters of comfort or letters of guarantee and government-guarantees. Total debt of the Trinidad and Tobago's state-owned enterprises is estimated at TT\$ 18.7 billion at June 30, 2016. At the end of fiscal year 2015, total state-owned enterprise debt was TT\$ 19.7 billion as compared to TT\$ 17.9 billion at September 30, 2014. State-owned letters of guarantee is estimated at TT\$ 10.8 billion as at June 30, 2016. Government-guaranteed state-owned enterprise debt is estimated at TT\$ 7.9 billion at June 30, 2016, representing approximately 42.5% of total state-owned enterprise debt at the end of June 30, 2016. Total debt of the Trinidad and Tobago's statutory authorities is estimated at TT\$ 10.8 billion at June 30, 2016. At the end of fiscal year 2015, total statutory authorities debt was TT\$ 11.7 billion as compared to TT\$ 10.4 billion at September 30, 2014.

Non-government guaranteed state enterprise debt totaled TT\$ 22.95 billion at March 31, 2016, with TT\$ 14.05 billion representing foreign non-guaranteed debt and TT\$ 8.90 billion representing local non-guaranteed state enterprise debt. The energy sector accounted for TT\$18.98 billion of non-guaranteed state enterprise debt with the Petroleum Company of Trinidad and Tobago ("Petrotrin"), accounting for the largest portion of non-guaranteed state-owned enterprise debt, with TT\$ 13.34 billion.

Government-guaranteed debt includes certain debt obligations of the Urban Development Corporation of Trinidad and Tobago ("UDeCOTT"), the Water and Sewerage Authority of Trinidad and Tobago ("WASA") and the Housing Development Company of Trinidad and Tobago ("HDC"). UDeCOTT accounts for approximately TT\$ 3.8 billion of total state-owned enterprise debt at June 30, 2016. WASA and HDC account for TT\$ 4.5 billion and TT\$ 3.4 billion, respectively of the total debt owed by statutory authorities as at June 30, 2016. UDeCOTT, WASA and HDC are currently not in compliance with their respective financial reporting covenants under the agreements governing certain of their debt obligations. All three agencies are currently working towards becoming compliant in their financial reporting and no event of default has been declared with respect to any such debt and all are in compliance with their respective payment obligations. However, if an event of default is declared or if payment obligations are accelerated, Trinidad and Tobago may be required to make payments to UDeCOTT, WASA and HDC's lenders and bondholders pursuant to the Trinidad and Tobago's guarantees of such debt.

***Changes in tax regulations, the interpretation thereof or the adoption of other tax reform policies in Trinidad and Tobago could significantly affect Trinidad and Tobago's economic performance and public finances.***

New tax laws and regulations, and uncertainties with respect to future tax policies, pose risks to us. The current administration has made public statements indicating that it has made tax reform a priority in 2016, in order to obtain additional funds and close potential deficits, to improve compliance and collection, and to strengthen tax

administration. Changes in tax-related laws and regulations, and interpretations thereof, can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting tax deductions, and eliminating tax-based incentives and non-taxed income. It is unclear whether or in what form any such changes will be enacted into law or how soon any such changes could become effective in the event they were enacted into law. Trinidad and Tobago's financial position could negatively impact the value of the notes.

***The United Kingdom's referendum vote in favor of leaving the European Union could adversely affect Trinidad and Tobago.***

The United Kingdom held a referendum on June 23, 2016 in which a majority voted for the United Kingdom's withdrawal from the European Union ("Brexit"). At this time, it is not certain what steps will need to be taken to facilitate UK's exit from the European Union or the length of time that this may take. The effects of the Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. In addition, Brexit could lead to additional political, legal and economic instability in the European Union. Brexit might also lead to a decline in international tourism, which may adversely affect Trinidad and Tobago's economy. Any of these effects of Brexit, and others that we cannot anticipate, could negatively impact the value of the notes.

**Risks Related to the notes**

***The notes will be subject to transfer restrictions.***

We have not registered, and will not register, the notes under the Securities Act or any other applicable securities laws. The offering of the notes will be made in reliance on exemptions from the registration requirements of the T&T Securities Act, the Securities Act and U.S. state securities laws, which limit who may own the notes. Accordingly, the notes are subject to certain restrictions on resale and other transfer thereof as further described under "*Transfer Restrictions*". We retain the right to determine and extend the periods in which the transfer restrictions will apply to the notes. Consequently, a holder of notes and an owner of beneficial interests in those notes must be able to bear the economic risk of their investment in the notes for the term of the notes.

***An active trading market may not develop for the notes.***

The notes are new securities that may not be widely distributed and for which there is currently no active trading market and we cannot assure you that in the future a market for the notes will develop. Approval in-principle has been received from the SGX-ST for the listing and quotation of the notes on the Official List of the SGX-ST. We cannot assure you, however, that this application will be accepted, or if accepted, that the notes will remain so listed. We cannot provide you with any assurances regarding the future development of a market for the notes, the ability of holders of the notes to sell their notes, or the price at which such holders may be able to sell their notes. If such a market were to develop, the notes could trade at prices that may be higher or lower than the initial offering price, depending on many factors, including prevailing interest rates, our results of operations and financial condition, political and economic developments in and affecting Trinidad and Tobago and the markets for similar securities. The initial purchasers have advised us that they currently intend to make a market in the notes but they are not under any obligation to do so, and any market-making with respect to the notes may be discontinued at any time without notice at the sole discretion of the initial purchasers. Accordingly, we cannot assure you as to the development or liquidity of any trading market for the notes.

***The indenture governing the notes will contain only limited covenants for the benefit of the notes, and we may still be able to incur significantly more debt, including secured debt, which could intensify the risks described herein.***

The indenture governing the notes will contain only limited covenants, including those restricting our ability and our subsidiaries' ability to create certain liens, and enter into certain sale and leaseback transactions, which covenants are subject to various exceptions. The indenture does not contain financial covenants or restrictions on debt incurrence by us or our subsidiaries, and therefore, we may incur additional indebtedness

(secured and unsecured) in the future. See “*Description of the Notes—Covenants*”. If additional debt is added to our existing level of indebtedness in the future, the related risks that we now face could intensify, and our ability to make timely payments on the notes may be impaired.

***Until the liens securing our obligations under the Syndicated Bridge Facility are released, the notes will be structurally subordinated to our obligations under the Syndicated Bridge Facility.***

We intend to use the net proceeds from the offering of the notes, together with cash on hand and other funds available to us, to repay in full the U.S.\$600.0 million Syndicated Bridge Facility. See “*Use of Proceeds*.” However, although we intend to repay our obligations under the Syndicated Bridge Facility concurrently with the issuance of the notes and release the liens securing our obligations under the Syndicated Bridge Facility as soon as practicable thereafter, we can give no assurances that such release will be implemented within that time frame. While our outstanding debt under the Syndicated Bridge Facility is expected to be discharged upon payment thereof upon completion of this offering, until the release and discharge of the security interests in the collateral pledged under the Syndicated Bridge Facility becomes effective, the notes will be structurally subordinated to our obligations under the Syndicated Bridge Facility.

***The obligations under the notes will be subordinated to certain statutory liabilities and structurally subordinated to other obligations of our subsidiaries***

Under Trinidad and Tobago law, the obligations under the notes are subordinated to certain statutory preferences. In the event of liquidation, such statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses, will have priority over any other claims, including claims by any holder of the notes.

In addition, in the event that we form a subsidiary or acquire a business, the indenture will not require that such subsidiary or business entity guarantees our obligations in respect of the notes. In the event that we transfer any assets to any newly formed subsidiary or acquire any entity that owns material assets, the notes will be structurally subordinated to any indebtedness of these persons and upon liquidation or winding up of these persons, their assets will be used to satisfy the claim of the creditors of these entities before any of these assets are available to repay the notes.

***We may not be able to repurchase the notes upon a change of control repurchase event.***

Upon the occurrence of a change of control repurchase event as set forth in “*Description of the Notes—Repurchase of the Notes upon a Change of Control*”, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount plus accrued and unpaid interest, if any. The source of funds for any such purchase of the notes will be our available cash or cash generated from our operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control repurchase event because we may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control repurchase event. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the notes. Our failure to repurchase the notes upon a change of control repurchase event would cause a default under the indenture governing the notes.

The indenture governing the notes offered hereby provides that we will timely repay indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a change of control offer required to be made pursuant to the indenture. Notwithstanding the foregoing, there can be no assurance that our future indebtedness will not prohibit us from purchasing notes in the event of a change of control, provide that a change of control is a default or require repurchase upon a change of control. Moreover, the exercise by the holders of notes of their right to require us to purchase the notes under the indenture governing the notes offered hereby could cause a default under other debt, even if the change of control itself does not, due to the financial effect of the purchase on us.

***It may be difficult to enforce civil liabilities against us or our directors and executive officers.***

All or a substantial portion of our assets and those of our directors and executive officers, all of whom are non-residents of the United States, are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States on these persons, including with respect to matters arising under the federal securities laws of the United States, or to enforce against such persons or against us judgments of courts of the United States predicated upon the civil liability of the federal securities laws of the United States. There is no existing treaty between the United States and Trinidad and Tobago for the reciprocal enforcement of foreign judgments. In addition, there may be doubt as to whether the courts of Trinidad and Tobago would enforce in all respects, to the same extent and in as timely a manner as a U.S. court or foreign court, an action predicated solely upon the civil liability provisions of the U.S. federal securities laws or other foreign regulations. See “*Enforcement of Civil Liabilities*”.

***We cannot assure you that the credit ratings for the notes will not be lowered, suspended or withdrawn by the rating agencies.***

The credit ratings of the notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. We cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the notes.

***Developments in other emerging markets may adversely affect the market price of the notes.***

The market price of the notes may be adversely affected by downturns in the international financial markets and world economic conditions. The market for securities of Trinidad and Tobago issuers is, to varying degrees, influenced by economic and market conditions in other emerging market countries, especially those in Latin America and the Caribbean. Although economic conditions are different in each country, investors’ reactions to developments in one country may affect the securities markets and the securities of issuers in other countries, including Trinidad and Tobago. We cannot predict the effect of developments in other securities markets on the market value of the notes.

## USE OF PROCEEDS

We estimate that the net proceeds from the sale of the notes, after payment of the initial purchasers' commissions and estimated transaction expenses payable by us, will be approximately U.S.\$583,420,000.

We intend to use the net proceeds from the offering of the notes, together with cash on hand and other funds available to us, to repay in full the U.S.\$600.0 million Syndicated Bridge Facility, which is scheduled to mature in July 2017. Certain of the lenders under the Syndicated Bridge Facility, acting directly or through their affiliates, have chosen to use the proceeds from the repayment of the Syndicated Bridge Facility to purchase notes in the offering. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Material Indebtedness—Syndicated Bridge Facility*" for a description of the terms of the Syndicated Bridge Facility.

## EXCHANGE RATE INFORMATION

On April 13, 1993, the Republic abandoned a fixed exchange rate regime and adopted a managed floating exchange rate regime whereby foreign exchange transactions are handled through authorized and licensed dealers who actively trade in the foreign exchange market.

The following table outlines the exchange rates, as the midpoint of the buying and selling rates, in terms of TT dollars per U.S. dollar, for the periods indicated, as reported by the Central Bank of Trinidad and Tobago (the “Central Bank”).

Period (Calendar Year Ended December 31)	Exchange Rate	
	Period Average	End of Period
	<i>(TT dollars per U.S. dollar)</i>	
2011 .....	6.3396	6.4093
2012 .....	6.4033	6.3815
2013 .....	6.4155	6.4385
2014 .....	6.3849	6.3585
2015 .....	6.3537	6.4196
2016		
January .....	6.4316	6.4525
February .....	6.4866	6.5186
March .....	6.5648	6.5661
April .....	6.6039	6.6298
May .....	6.6380	6.6438
June .....	6.6401	6.6508
July .....	6.6730	6.6994
August .....	6.7104	6.6881
September .....	6.7165	6.7132
October (through October 14, 2016) .....	6.7726	6.7056

*Source: Central Bank of Trinidad and Tobago*

In this offering, certain amounts stated in U.S. dollars have been translated, for the convenience of the reader, from TT dollars, using, unless otherwise indicated, an exchange rate of TT\$6.706 per U.S. dollar, which is the midpoint of the buying and selling rates for U.S. Dollars, calculated from Central Bank data for October 14, 2016. Such translations should not be construed as a representation that the TT dollar could have been converted at such rate on such date or at any other time.

## CAPITALIZATION

The following table shows our capitalization as of June 30, 2016 and as adjusted to give effect to the offering of the notes and the application of the proceeds thereof.

You should read this table together with the information in “*Financial Information*”, “*Summary Financial and Operating Data*”, “*Selected Financial and Operating Data*”, “*Use of Proceeds*”, and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, as well as in conjunction with our audited annual financial statements and notes thereto and our unaudited condensed interim financial statements and notes thereto, each included elsewhere in this offering memorandum.

	<b>As of June 30, 2016</b>	<b>As Adjusted</b>
	<i>(in thousands of U.S. Dollars)</i>	
	<i>(unaudited)</i>	
Cash and short-term deposits: .....	95,930	73,468 <sup>(2)</sup>
Liabilities:		
Due to related parties <sup>(1)</sup> .....	228,082	59
Short-term loans <sup>(1)</sup> .....	294,578	-
Notes offered hereby .....	-	600,000 <sup>(3)</sup>
Total liabilities .....	522,660	600,059
Equity:		
Stated Capital .....	189,400	189,400
Retained Earnings .....	72,284	72,284
Total equity .....	261,684	261,684
<b>Total capitalization .....</b>	<b>784,344</b>	<b>861,743</b>

(1) In July 2016, we entered into the Syndicated Bridge Facility which was used to repay U.S.\$228,023 thousand of the amount due to related parties. The Syndicated Bridge Facility was also used to refinance the short term loans. We intend to use the net proceeds from the offering of the notes hereby, together with cash on hand and other funds available to us, to repay the Syndicated Bridge Facility in full.

(2) This amount reflects (i) the use of cash of U.S.\$15,962 thousand, together with the gross proceeds of the notes, to repay the Syndicated Bridge Facility, and (ii) U.S.\$6,500 thousand reflecting underwriting commissions and estimated transaction expenses.

(3) The gross proceeds of the notes is U.S.\$589,920 thousand, which reflects the discounted issue price.

## SELECTED FINANCIAL AND OPERATING DATA

The following tables present our selected financial and operating data. The selected financial data presented below as of and for the years ended December 31, 2015, 2014 and 2013 have been derived from our audited annual financial statements included elsewhere in this offering memorandum. The selected financial data as of June 30, 2016 and for the six month periods ended June 30, 2016 and 2015 has been derived from our unaudited condensed interim financial statements. Our historical results for any prior period are not necessarily indicative of results expected in any future period.

You should read the financial and operating information set forth below in conjunction with the sections entitled “Financial Information”, “Use of Proceeds”, “Capitalization” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as well as in conjunction with our audited annual financial statements and notes thereto and unaudited condensed interim financial statements and notes thereto, each included elsewhere in this offering memorandum.

The following table presents our selected statement of comprehensive income:

Selected Statement of Comprehensive Income	Six Month Period Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(Unaudited)		(in thousands of U.S. Dollars)		
			(Audited)		
<b>Revenue</b>					
Finance lease income <sup>(1)</sup> .....	50,594	50,818	101,534	101,916	102,263
Other revenue .....	1,251	-	3,887	3,804	75,567
<b>Total Revenue</b> .....	<b>51,845</b>	<b>50,818</b>	<b>105,421</b>	<b>105,720</b>	<b>177,830</b>
<b>Expenses</b>					
Administrative expenses .....	(7,170)	(6,371)	(13,943)	(13,892)	(14,681)
Operating expenses .....	(6,709)	(4,886)	(10,193)	(6,381)	(4,755)
<b>Total Expenses</b> .....	<b>(13,879)</b>	<b>(11,257)</b>	<b>(24,136)</b>	<b>(20,273)</b>	<b>(19,436)</b>
<b>Operating profit</b> .....	<b>37,966</b>	<b>39,561</b>	<b>81,285</b>	<b>85,447</b>	<b>158,394</b>
Finance expenses .....	(5,560)	(47)	(4,731)	(5)	(13)
Finance income .....	6,239	5,278	6,848	7,332 <sup>(2)</sup>	2,152 <sup>(3)</sup>
<b>Profit before tax</b> .....	<b>38,645</b>	<b>44,792</b>	<b>83,402</b>	<b>92,774</b>	<b>160,533</b>
Taxation .....	(8,751)	(11,355)	(22,036)	(23,314)	(41,689)
<b>Net profit for the period/year</b> .....	<b>29,894</b>	<b>33,437</b>	<b>61,366</b>	<b>69,460</b>	<b>118,844</b>
Other comprehensive income .....	-	-	-	-	-
<b>Total comprehensive income</b> .....	<b>29,894</b>	<b>33,437</b>	<b>61,366</b>	<b>69,460</b>	<b>118,844</b>

- (1) Under IFRS IAS 17 “Leases”, we account for the rights under our PPA as a finance lease and as a result recognize an account receivable balance on our statement of financial position at an amount equal to the amount of our net investment in the lease represented by the PPA. Our lease payment receivable is composed of a principal component (which is adjusted over time on our statement of financial position, with such adjustment only recorded as a cash inflow in the cash flow statements) that is not recognized as income in our statement of comprehensive income. We refer to this portion of the lease payment receivable as “finance lease collections”. The interest component of our lease payment receivable is recognized as finance lease income over the term of the PPA. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Estimates—Leases”
- (2) This amount is U.S.\$7,327 thousand in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum as a result of netting a U.S.\$5 thousand bank charge reflected as finance expenses.
- (3) This amount is U.S.\$2,139 thousand in our audited annual financial statements as of and for the year ended December 31, 2013, which are presented as comparative information included in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum, as a result of netting a U.S.\$13 thousand bank charge reflected as finance expenses.

The following table presents our selected statement of financial position data:

Selected Statement of Financial Position	As of June 30,		As of December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
<b>Assets</b>	<i>(Unaudited)</i>		<i>(Audited)</i>		
<b>Non-current assets</b>					
Property, plant and equipment .....	31,386	22,575	25,016	17,265	19,514
Net investment in leased assets <sup>(1)</sup> .....	727,223	731,703	729,091	733,609	737,364
Deferred tax assets .....	79,497	94,910	85,956	105,487	44,416
Total non-current assets .....	838,106	849,188	840,063	856,361	801,294
<b>Current assets</b>					
Cash and short-term deposits .....	95,930	93,458	94,885	91,582	82,831
Net investment in leased assets <sup>(1)</sup> .....	4,479	4,270	4,518	3,755	3,366
Trade and other receivables .....	22,427	223,121	11,383	186,134	100,890
Tax recoverable .....	1,001	1,003	1,001	1,003	1,003
Inventories .....	9,751	9,814	9,403	8,724	6,048
Total current assets .....	133,588	331,666	121,190	291,198	194,138
<b>Total assets</b> .....	971,694	1,180,854	961,253	1,147,559	995,432
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Stated capital .....	189,400	189,400	189,400	1	1
Capital contributions .....	—	—	—	189,399	189,399
Retained earnings .....	72,284	236,462	42,390	203,024	134,564
Total equity .....	261,684	425,862	231,790	392,424	323,964
<b>Non-current liabilities</b>					
Deferred tax liabilities .....	181,753	178,405	179,945	177,786	93,717
<b>Current liabilities</b>					
Trade and other payables .....	5,581	4,168	6,861	4,235	4,056
Dividends payable .....	—	4,000	4,000	4,000	3,000
Due to related parties .....	228,082	568,082	238,404	568,404	569,926
Short term loans .....	294,578	—	300,237	—	—
Tax payable .....	16	337	16	710	769
Total current liabilities .....	528,257	576,587	549,518	577,349	577,751
<b>Total liabilities</b> .....	710,010	754,992	729,463	755,135	671,468
<b>Total equity and liabilities</b> .....	971,694	1,180,854	961,253	1,147,559	995,432

- (1) On an annual basis, the net investment in leased assets is reduced by the amount of the finance lease collections attributable to the period/year. These finance lease collections amounted to U.S.\$1,907 thousand and U.S.\$1,392 thousand for the six months ended June 30, 2016 and June 30, 2015, respectively, and U.S.\$3,754 thousand, U.S.\$3,366 thousand, U.S.\$3,019 thousand, for the years ended December 31, 2015, 2014 and 2013, respectively.

The following table presents our selected statement of cash flows for the periods presented:

	Six Month Period Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	(in thousands of U.S. Dollars)				
	(Unaudited)		(Audited)		
<b>Selected Statement of Cash Flows</b>					
Net cash generated from/(used in) operations .....	12,815	8,823	265,657	9,024	(29,706)
Net cash used in investing activities .....	(20,525)	(10,113)	(13,721)	(10,273)	(29,902)
Net cash (used in)/generated from financing activities.....	(4,000)	—	(251,763)	—	30,000
Net (decrease)/increase in cash and cash equivalents.....	(11,710)	(1,290)	173	(1,249)	(29,608)
Cash and cash equivalents at beginning of the period/year.....	31,755	31,582	31,582	32,831	62,439
<b>Cash and cash equivalents at end of the period/year .....</b>	<b>20,045</b>	<b>30,292</b>	<b>31,755</b>	<b>31,582</b>	<b>32,831</b>

## Key Financial and Other Operating Data

The following tables set forth certain key financial and operating data for the periods presented:

	Six Month Period Ended		Year Ended December 31,		
	June 30,				
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars, except as otherwise indicated)</i>				
Adjusted EBITDA <sup>(1)</sup> .....	41,005	41,943	86,980	90,671	90,068
Interest coverage ratio <sup>(2)</sup> .....	7.7	-	69.0	-	-
Total debt <sup>(3)</sup> .....	294,578	-	300,237	-	-
Total debt / Total equity.....	1.1	-	1.3	-	-
Net debt <sup>(4)</sup> .....	198,648	-	205,352	-	-
Total debt / Adjusted EBITDA .....	n.m.	-	3.5	-	-
Net debt / Adjusted EBITDA.....	n.m.	-	2.4	-	-
Installed capacity at end of period (MW) .....	720	720	720	720	720
Equivalent availability during the period (%)....	91.65	89.73	93.74	94.20	92.25
Energy generated (GWh) .....	1,700.39	1,337.35	2,745.34	2,232.76	1,843.92

n.m.: not meaningful

- (1) We define “Adjusted EBITDA” for each period as net profit less finance income plus finance expenses, taxation, depreciation and finance lease collections less a one-time liquidated damages payment received from MAN Ferrostaal in 2013 pursuant to the EPC Contract for late delivery of the Plant. Adjusted EBITDA is not recognized under IFRS or any other generally accepted accounting principles as a measure of financial performance and should not be considered as a substitute for net income, cash flow from operations or other measures of operating performance or liquidity determined in accordance with IFRS. Adjusted EBITDA presents limitations that impair its use as a measure of our profitability since it does not take into consideration certain costs and expenses that result from our business that could have a significant effect on our net income.

The following table sets forth a reconciliation of our net profit for the period/year to our Adjusted EBITDA for the periods presented:

	Six Month Period Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
Net profit for the period/year .....	29,894	33,437	61,366	69,460	118,844
Finance income .....	(6,239)	(5,278)	(6,848)	(7,332) <sup>(3)</sup>	(2,152) <sup>(4)</sup>
Finance expenses.....	5,560	47	4,731	5	13
Taxation .....	8,751	11,355	22,036	23,314	41,689
Operating profit.....	37,966	39,561	81,285	85,447	158,394
Depreciation .....	1,132	990	1,941	1,858	1,893
Finance lease collections.....	1,907	1,392	3,754	3,366	3,019
Liquidated damages <sup>(1)</sup> .....	0	0	0	0	(73,238)
<b>Adjusted EBITDA <sup>(2)</sup> .....</b>	<b>41,005</b>	<b>41,943</b>	<b>86,980</b>	<b>90,671</b>	<b>90,068</b>

- (1) Represents a one-time liquidated damages payment received from MAN Ferrostaal pursuant to the EPC Contract for late delivery of the Plant. See “Management’s Discussion and Analysis of Financial Condition and Results of Operation—Material Factors Affecting Results of Operations—Liquidated Damages Payments”.
- (2) Adjusted EBITDA is a non-IFRS measure. For a discussion of our calculation of Adjusted EBITDA and a reconciliation of our net income to our Adjusted EBITDA, see “Summary Financial and Operating Data”.
- (3) This amount is U.S.\$7,327 thousand in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum as a result of netting a U.S.\$5 thousand bank charge reflected as finance expenses.
- (4) This amount is U.S.\$2,139 thousand in our audited annual financial statements as of and for the year ended December 31, 2013, which are presented as comparative information included in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum, as a result of netting a U.S.\$13 thousand bank charge reflected as finance expenses.

(2) Our interest coverage ratio is defined as Adjusted EBITDA divided by interest expense.

(3) Total debt means short term loans.

(4) Net debt is calculated as total debt minus cash and short -term deposits. Net debt is not recognized under IFRS or any other generally accepted accounting principles as a measure of financial performance and should not be considered as a substitute for total debt or other measures of operating performance or liquidity determined in accordance with IFRS. Other companies may calculate net debt differently, and therefore this presentation of net debt may not be comparable to other similarly titled measures used by other companies. The table below sets forth a reconciliation of our total debt to net debt.

	As of June 30,		As of December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
Total debt <sup>(1)</sup> .....	294,578	-	300,237	-	-
Cash and short-term deposits .....	95,930	93,458	94,885	91,582	82,831
<b>Net debt.....</b>	<b>198,648</b>	<b>(93,458)</b>	<b>205,352</b>	<b>(91,582)</b>	<b>(82,831)</b>

- (1) Total debt means short term loans.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This information should be read in conjunction with our audited annual financial statements, included elsewhere in this offering memorandum. Our audited annual financial statements have been prepared in accordance with IFRS as issued by the IASB. Our unaudited condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the IASB. The financial information below also includes certain non-IFRS measures, which are defined under “Non-IFRS Financial Information” and “Summary Financial and Operating Data”, which are used by us to evaluate our operating and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered as an alternative measure to evaluate our performance. See “Financial Information”.*

*Certain information included in this discussion and analysis includes forward-looking statements that are subject to risks and uncertainties, and which may cause actual results to differ materially from those expressed or implied by such forward-looking statements. For further information on important factors that could cause our actual results to differ materially from the results described in the forward-looking statements contained in this discussion and analysis, see “Cautionary Statement Regarding Forward-Looking Statements” and “Risk Factors”.*

### Overview

We own and operate a 720 MW net capacity combined-cycle gas-fired power plant located in the Union Industrial Estate at Vessigny Village, La Brea in the Republic of Trinidad and Tobago (the “Plant”), which currently is the largest power generation plant in Trinidad and Tobago in terms of supplied electricity, and the second largest power generation plant in Trinidad and Tobago in terms of installed capacity and contracted capacity, according to T&TEC. Upon commissioning of the Plant following Phase 1 construction completion in August 2011, we began operations with an installed capacity of 225 MW. When we commissioned Phase 2 of the Plant in December 2012, we increased our installed capacity to 720 MW and Trinidad’s power generation capacity by approximately 50%, representing a major contribution to the energy security of the country while concurrently improving the fuel efficiency of the entire grid. As of mid-January 2016, the Plant accounted for 34% of all power generation in Trinidad and Tobago, as measured by installed capacity, and currently delivers approximately 45% of the country’s average demand, as measured by the amount of energy actually purchased by T&TEC.

The Plant was designed and built pursuant to the EPC Contract by MAN Ferrostaal of Germany (“MAN Ferrostaal”), the engineering and construction subsidiary of MAN AG, a world-renowned service provider in the power sector with operations in over 40 countries. The Plant is a state-of-the-art fully operational, combined-cycle, gas-fired plant which operates with proven technology utilizing reputable OEMs. We believe the Plant is the lowest all-in cost and most efficient electricity generation facility in Trinidad and Tobago, and a significant strategic asset for Trinidad and Tobago and its economy.

## Financial Highlights

The following table sets forth certain key financial information about our company for the periods presented below:

	Six Month Period Ended June 30		Year Ended December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
Revenue .....	51,845	50,818	105,421	105,720	177,830
Other revenue .....	(1,251)	-	(3,887)	(3,804)	(75,567)
Finance lease income <sup>(1)</sup> .....	50,594	50,818	101,534	101,916	102,263
Finance lease collections <sup>(2)</sup> .....	1,907	1,392	3,754	3,366	3,019
<b>Adjusted revenue</b> <sup>(3)</sup> .....	<b>52,501</b>	<b>52,210</b>	<b>105,288</b>	<b>105,282</b>	<b>105,282</b>
Net profit for the period/year .....	29,894	33,437	61,366	69,460	118,844
Finance income .....	(6,239)	(5,278)	(6,848)	(7,332) <sup>(6)</sup>	(2,152) <sup>(7)</sup>
Finance expense .....	5,560	47	4,731	5	13
Taxation .....	8,751	11,355	22,036	23,314	41,689
Operating profit .....	37,966	39,561	81,285	85,447	158,394
Depreciation .....	1,132	990	1,941	1,858	1,893
Finance lease collections .....	1,907	1,392	3,754	3,366	3,019
Liquidated damages <sup>(4)</sup> .....	-	-	-	-	(73,238)
<b>Adjusted EBITDA</b> <sup>(5)</sup> .....	<b>41,005</b>	<b>41,943</b>	<b>86,980</b>	<b>90,671</b>	<b>90,068</b>

- (1) Under IFRS International Accounting Standards (“IAS”) 17 *Leases*, we account for the rights under our PPA as a finance lease and as a result recognize an account receivable balance on our statement of financial position at an amount equal to the amount of our net investment in the lease represented by the PPA. Our lease payment receivable is composed of a principal component (which is adjusted over time on our statement of financial position, with such adjustment only recorded as a cash inflow in the cash flow statements) that is not recognized as income in our statement of comprehensive income. We refer to this portion of the lease payment receivable as “finance lease collections”. The interest component of our lease payment receivable is recognized as finance lease income over the term of the PPA.
- (2) See footnote (1) for a description of finance lease collections.
- (3) Adjusted revenue represents capacity payments paid to us by T&TEC pursuant to our PPA, as calculated on a monthly basis by multiplying the product of our average available capacity and hours of operation by our capacity price. See “*Business—Material Documents Relating to the Plant—PPA and Related Guarantee—Calculation of Capacity, and Capacity and Energy Payments*” for further details on the calculation of payments we receive pursuant to the PPA, including our capacity payments. Adjusted revenue is a non-IFRS measure.
- (4) Represents a one-time liquidated damages payment received from MAN Ferrostaal pursuant to the EPC Contract for late delivery of the Plant. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Material Factors Affecting Our Results of Operations—Liquidated Damages Payments*”.
- (5) Adjusted EBITDA is a non-IFRS measure. For a discussion of our calculation of Adjusted EBITDA and a reconciliation of our net income to our Adjusted EBITDA, see “*Summary Financial and Operating Data*”.
- (6) This amount is U.S.\$7,327 thousand in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum as a result of netting a U.S.\$5 thousand bank charge reflected as finance expenses.
- (7) This amount is U.S.\$2,139 thousand in our audited annual financial statements as of and for the year ended December 31, 2013, which are presented as comparative information included in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum, as a result of netting a U.S.\$13 thousand bank charge reflected as finance expenses.

## **Critical Accounting Policies and Significant Estimates**

The preparation of our financial statements in accordance with International Financial Reporting Standards necessitates the use of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and contingent liabilities at the reporting date as well as affecting the reported income and expenses for the reporting period.

Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future years.

The principal accounting policies, estimates and assumptions applied in preparing our financial statements are detailed in notes 2 and 3 to our audited annual financial statements and our unaudited interim condensed financial statements. These policies have been applied consistently for the periods presented and are consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### ***Going Concern***

The financial statements are prepared on a going concern basis. This basis of preparation assumes that the Company will be able to realize its assets and discharge its liabilities in the ordinary course of business.

As disclosed in note 2 b) of the audited annual financial statements for the year ended December 31, 2015, as at December 31, 2015, we had current liabilities of U.S.\$300.2 million due to third party financial institutions which were scheduled to mature on September 30, 2016 and December 21, 2016. These short-term bridge loans were negotiated on the expectation that these loans would be repaid through long term debt financing currently being pursued.

Furthermore, also as disclosed in note 2 b) of the unaudited interim condensed financial statements for the six months ended June 30, 2016, we had current liabilities of U.S.\$294.6 million due to third party financial institutions which were scheduled to mature on September 30 and December 21, 2016. Subsequently, on July 7, 2016, we secured a new short term loan of U.S.\$600.0 million that matures in 12 months and used the proceeds to repay the two existing loans, amounting to U.S.\$294.7 million in aggregate, as well as U.S.\$228.0 million to settle the balance due to the parent company, UEEGCL.

These short-term bridge loans were negotiated on the expectation that these loans would be repaid through long term debt financing which we are currently pursuing. Should we not complete the refinancing in advance of these maturity dates, this may present a going concern risk to TGU.

Management and the Board of Directors assessed this risk and the prospects for successfully completing the long term debt funding and the subsequent repayment of the short-term loans prior to their maturity dates. Based on the assessment, Management and the Board of Directors believe that the timely completion of the long term debt funding is highly probable and have therefore concluded that the financial statements can be prepared on a going concern basis.

### ***Leases***

The Plant was brought into operation in three phases, Phase 1A, Phase 1B and Phase 2, in accordance with the PPA. The PPA was evaluated in accordance with the provisions of IFRIC 4, "Determining whether an arrangement contains a lease". This evaluation has resulted in the recognition of a leased asset related to the Plant. In accordance with IFRIC 4, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases where the lessor effectively retains substantially all risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Where substantially all the risks and rewards incidental to ownership of the asset are transferred to the lessee, the lease is a finance lease. Finance leases are capitalized at the commencement of the lease at the fair value of the asset or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets held under a finance lease are recognized in the statement of financial position and presented as a receivable balance at an amount equal to the net investment in the lease. The lease payment receivable is treated as repayment of principal and finance income and this finance income is recognized over the lease term on a systematic basis.

Based on the analysis of IFRIC 4, we concluded that the arrangement as described in the PPA contains a lease and qualifies for accounting as a finance lease in accordance with International Accounting Standards (“IAS”) 17 “Leases”.

### ***Inventories***

Inventories which consist of consumable spares and minor tools and equipment are carried at the lower of cost and net realizable value. Cost is determined based on the weighted average unit cost method.

Our inventory is stated at U.S.\$9,403 thousand, U.S.\$8,724 thousand, and U.S.\$6,048 thousand in the statement of financial position as of December 31, 2015, 2014 and 2013, respectively. We did not perform a full inventory count as of December 31, 2013 and 2014 and therefore the independent auditor’s report in relation to these years included a qualified opinion relating to the independent auditor’s inability to conclude on the existence and completeness of inventory. Subsequent to the issuance of the financial statements as of and for the year ended December 31, 2014, the independent auditor was able to perform alternative audit procedures to conclude on the accuracy of the stated inventory balance as of December 31, 2014.

## **Material Factors Affecting Our Results of Operations**

### ***Power Purchase Agreement***

We have a 30-year U.S. Dollar-denominated PPA with our sole offtaker, T&TEC, a government-owned enterprise responsible for the country’s electrical transmission and distribution network, with a remaining term of 25 years. T&TEC is obligated to offtake or make capacity payments for 93% of the 720MW capacity made available by TGU, regardless of T&TEC’s ability to offtake, as long as the Plant is able to supply. Payments are escalated at the base index value for CPI from December 2007. The Plant has been able to maintain average annual availability above 93% in four out of the past five operating years, as discussed further below. The T&TEC payments under the PPA are fully guaranteed by the GoRTT, which Guarantee, together with the PPA, provides us highly predictable revenues and cash flows. Additionally, the PPA is denominated largely in U.S. Dollars (with the exception of a portion as low as 5% to be denominated in TT\$ to allow for TT\$ costs such as VAT), thus avoiding significant currency fluctuation risk. See “*Business—Material Documents Relating to the Plant—PPA and Related Guarantee*” for a summary of the terms of the PPA and of the Guarantee.

Under the PPA, TGU is entitled to full capacity payments even if T&TEC is not able to take full delivery of the Plant’s capacity, and in the event of the occurrence of certain force majeure events, regulatory changes or certain TGU defaults (unless T&TEC terminates the PPA upon such a default). T&TEC is also responsible for supplying fuel to TGU, and if at any time such fuel supply is disrupted, TGU will continue to receive capacity payments from T&TEC, as long as capacity would have been made available but for such gas supply disruption. Similarly, T&TEC must continue to make capacity payments if TGU is unable to supply capacity due to an insufficient water supply, provided such insufficiency is not due to the fault of TGU or certain force majeure events, such as nationwide or generalized drought causing a reduction in fresh water availability. If TGU achieves an annualized available capacity below 93%, it will be entitled to the achieved capacity payments for the capacity that is available, but will also need to pay liquidated damages, which are limited to U.S.\$425,200 per contract year multiplied by the U.S. CPI

multiplier. Additionally, if the project's heat rate exceeds a pre-defined level on an annual basis, TGU shall pay T&TEC liquidated damages in the amount of U.S.\$2.13 per excess mmbtu consumed by the Plant.

Assets held under a finance lease are recognized in the statement of financial position and presented as a receivable balance at an amount equal to the net investment in the lease. The lease payment receivable is treated as repayment of principal and finance income and this finance income is recognized over the lease term on a systematic basis as described below.

Our revenues include finance income and other income. Finance income is calculated based on the capacity payments we are entitled to receive under the PPA and the allocation of those payments between interest and principal as a finance lease. The principal component is recorded as an intangible asset in our statement of financial position and amortized over time. Therefore, revenue on our statement of comprehensive income, while related, is not the same as the capacity payment we receive from T&TEC. There are differences between the capacity payments and the finance income recorded on our statement of comprehensive income as a result of the accounting treatment of the finance lease. See "*—Description of Principal Line Items—Revenue*".

### ***Maintenance Costs***

The planned maintenance of a gas turbine is based on the operating hours. We therefore plan and budget on a five year cycle for this maintenance cost in accordance with the schedule recommended by GE. In 2016 we moved into our planned annual maintenance cycle and will have higher costs when compared to previous years, with these costs being well planned and structured in line with our maintenance strategy and governed by the existing PSA costs with GE and others, as we increase our generation. For the six-month periods ended June 30, 2016 and 2015, our maintenance costs were U.S.\$8,041 thousand and U.S.\$6,903 thousand, respectively. For the years ended December 31, 2015, 2014 and 2013, our maintenance costs were U.S.\$11,557 thousand, U.S.\$5,247 thousand and U.S.\$5,914 thousand, respectively. The amount of such costs that are used for spare parts are capitalized, and the remaining amount is accounted for as expenses.

Set forth below is a breakdown of our maintenance costs, the amount capitalized and the amount expensed, for the periods presented.

	<b>Six Month Period Ended</b>		<b>Year Ended December 31,</b>		
	<b>June 30,</b>		<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>2016</b>	<b>2015</b>			
	<i>(in thousands of U.S. Dollars)</i>				
Maintenance Cost .....	8,041	6,903	11,557	5,247	5,914
Amount Capitalized.....	2,400	2,628	2,642	-	2,829
Amount Expensed.....	5,641	4,275	8,915	5,247	3,085

A key factor for our financial performance is that our plant must be available for dispatch and not be offline for maintenance over and above the 7% allowed for maintenance. The maintenance costs associated with utilizing gas turbines for power generation are generally more than steam turbines. We therefore plan for anticipated major maintenance peaking every five years and have a finance policy in place to manage our cash in expectation of such expenses. Under the PPA, we are allowed to declare every sixth year as a major maintenance year with our allowed annual availability in that year reduced to 91% from the regular 93%

Scheduled maintenance is the only time that our generation units should not be available for dispatch except for unplanned outages. In that regard, we have a disciplined maintenance plan that complies with the PPA, which requires us to perform most of our planned maintenance during the period of January 1 to August 31 each year. This planning process in conjunction with GE has led to high availability of our units. We program our scheduled maintenance program several months in advance as some level of coordination with the offtaker is required. Additionally, the duration of any, unanticipated maintenance requirements is utilized to complete all short term planned jobs.

T&TEC began constructing the Gandhi Substation in 2014 to support the transmission of the full capacity of the Plant. The first transformer at the Gandhi Substation was commissioned in March 2015, which increased the total capacity that T&TEC normally dispatches from TGU to 570 MW. The second transformer at the Gandhi Substation is anticipated to be complete in December 2016, which will provide T&TEC with the flexibility to dispatch the plant as required up to the full 720 MW.

As a result of this increased demand and the fact that our planned maintenance is based on operating hours, this aspect of our maintenance costs will increase but this has been programmed into our budgets.

### ***T&TEC Delayed Payments Under the PPA***

In 2009, when TGU entered into the 30-year PPA, it was for 720 MW at 93% annual availability with two parties, T&TEC and Alutrint Limited (“Alutrint” and collectively with T&TEC, the “Buyers”), who had joint and several obligations under the PPA. The Alutrint plant was an aluminum project based in La Brea that was being developed by the GoRTT. This project was publicly canceled by the GoRTT in 2010 due, in part, to environmental concerns. During the period from mid-2012 through 2015, there was a dispute regarding the respective payment obligations of T&TEC and Alutrint under the PPA, despite the joint and several obligations of the Buyers under the PPA. During this period, T&TEC paid monthly payments of approximately 50% of the amounts due to TGU under the PPA, while acknowledging the debt for the other 50%. Additionally, during this period, T&TEC and TGU were actively in discussions with the Ministry of Finance and the Ministry of Energy Industries to resolve the issue. Following those discussions the matter was resolved. In August 2015, T&TEC paid U.S.\$252,624 thousand representing the full amount of the overdue payments plus accrued interest. Since then, all payments have been made on time for amounts billed in accordance with the contract. See “*Risk Factors—Risks Related to Our Business—We are dependent on a single offtaker to make capacity payments and purchase all electricity produced by the Plant pursuant to the PPA*”.

As of December 31, 2015, 2014 and 2013, T&TEC owed U.S.\$10,674 thousand, U.S.\$186,115 thousand, and U.S.\$100,191 thousand, respectively, to TGU for capacity payments under the PPA.

### ***Liquidated Damages Payments***

In accordance with the provisions of the EPC Contract for the construction of the Plant, we filed a claim for late substantial completion payments for delays in delivery of the Plant. After arbitration, in 2013 we were awarded a settlement sum of U.S.\$73,238 thousand which represents the full settlement of all contract issues.

### ***Income Taxes***

We are subject to income tax in Trinidad and Tobago. The statutory tax rate in Trinidad and Tobago was 25% for the six-months ended June 30, 2016 and June 30, 2015, and for the years ended December 31, 2015, 2014 and 2013. On September 30, 2016, the Minister of Finance proposed that as of January 1, 2017, the income tax rate applicable to us will likely be 30% due to a proposed new tax bracket of 30% for chargeable profits in excess of T.T.\$1,000 thousand.

As of June 30, 2016, TGU has accrued unutilized tax loss of U.S.\$313,631 thousand which may be used to offset future taxable profits, without expiration. As of December 31, 2015 TGU had accrued unutilized tax losses of U.S.\$342,566 thousand.

For further information on our tax rates, see note 18 of our audited annual financial statements as of and for the year ended December 31, 2015 and note 11 of our unaudited condensed interim financial statements included in this offering memorandum.

## **Description of Principal Line Items**

TGU's audited annual financial statements have been prepared in accordance with IFRS as issued by the IASB and our unaudited condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting.

### ***Revenue***

Our total revenue is comprised of finance lease income and other revenue. See “—*Material Factors Affecting Our Results of Operations—Power Purchase Agreement*”. See note 2.f. (Leases) in our audited annual financial statements as of and for the year ended December 31, 2015 included elsewhere in this offering memorandum. Finance lease income does not include the portion of capacity payment received that are attributable to finance lease collections. For purposes of calculating Adjusted EBITDA we have added back in finance lease collections.

Other revenue primarily consists of adjustments to reflect fluctuations in the monthly availability and the finance lease treatment, the consumer price index adjustment for capacity revenues received under the PPA, and in 2013 also reflected a one-time payment of liquidated damages due to TGU under the EPC Contract for delays in substantial completion of the Plant by the EPC contractor. See “—*Material Factors Affecting Our Results of Operations—Liquidated Damages Payments*”.

### ***Expenses***

Our total expenses are comprised of administrative expenses and operating expenses. Administrative expenses primarily consist of staff costs, insurance expenses, depreciation, and professional and legal fees. Operating expenses are primarily comprised of expenses for parts and supplies, contracted services, and contract labor. We incur personnel and third party services costs in the operation of our generation units. These costs are usually independent of the volumes of energy produced by our generation units. We incur maintenance costs in connection with the ongoing and periodic maintenance of our generation units. These costs are usually correlated to the volumes of energy produced and the number of running hours of our generation units.

### ***Finance expenses***

Our finance expenses primarily comprise of fees related to financing agreements entered into by TGU, interest expenses on such financing agreements, loss on foreign exchange and bank charges.

### ***Finance Income***

Our finance income primarily comprises of interest income earned on delayed capacity payments from T&TEC under the PPA, short-term deposits and operating accounts, and gain on foreign exchange. See “—*Material Factors Affecting Our Results of Operations—T&TEC Delayed Payments Under the PPA*”.

### ***Taxation***

Taxation includes current and deferred taxes for the applicable year, and is primarily comprised of business levy, green fund levy and the movement in deferred tax. Our deferred tax charge comprises the movement in the deferred tax asset relative to accumulated tax losses allowable for offset against future taxable income. The movement in the deferred tax liability mainly consists of the tax effect of the temporary difference arising on the finance lease. See note 18 to our audited financial statements as of and for the year ended December 31, 2015 included elsewhere in this offering memorandum.

### ***Other comprehensive income***

Our other comprehensive income comprises additional income items that are not accounted for in those income categories listed above. In the past three fiscal years, there have been no amounts included as other comprehensive income in our financial statements.

## Operating Results

The following discussion of our results of operations is based on our annual financial statements prepared in accordance with IFRS as issued by the IASB and our unaudited condensed interim financial statements prepared in accordance with IAS 34 Interim Financial Reporting. In the following discussion, references to increases or declines in any period are made by comparison with the corresponding prior period, except as the context otherwise indicates.

### *Six Month Period Ended June 30, 2016 compared to the Six Month Period Ended June 30, 2015*

Set forth below are our statements of comprehensive income for the six month periods ended June 30, 2016 and 2015:

	<b>Six Month Period Ended June 30,</b>		
	<b>2016</b>	<b>2015</b>	<b>% Change</b>
	<i>(in thousands of U.S. Dollars)</i>		
	<i>(Unaudited)</i>		
<b>Revenue</b>			
Finance lease income.....	50,594	50,818	(0.4)
Other revenue .....	1,251	—	100.0
Total Revenue.....	51,845	50,818	2.0
<b>Expenses</b>			
Administrative expenses.....	(7,170)	(6,371)	12.5
Operating expenses.....	(6,709)	(4,886)	37.3
Total Expenses.....	(13,879)	(11,257)	23.3
<b>Operating profit</b> .....	37,966	39,561	(4.0)
Finance expenses .....	(5,560)	(47)	11,729.7
Finance income.....	6,239	5,278	18.2
<b>Profit before tax</b> .....	38,645	44,792	(13.7)
Taxation .....	(8,751)	(11,355)	(22.9)
<b>Net profit for the period</b> .....	29,894	33,437	(10.6)
<b>Total comprehensive income</b> .....	29,894	33,437	(10.6)

### *Revenue*

Our revenue increased by U.S.\$1,027 thousand, or 2.0%, to U.S.\$51,845 thousand for the six month period ended June 30, 2016 as compared to U.S.\$50,818 thousand for the six month period ended June 30, 2015. This increase was primarily as a result of:

- *Finance lease income.* Our finance lease income decreased slightly by U.S.\$224 thousand, or 0.4%, to U.S.\$50,594 thousand for the six month period ended June 30, 2016, compared to U.S.\$50,818 thousand for the same period of 2015, primarily as a result of a slight reduction in the monthly availability figures in comparison to the same period of 2015; and
- *Other revenue.* Our other revenue materially increased by U.S.\$1,251 thousand for the six month period ended June 30, 2016, primarily as a result of increased monthly available billed capacity and energy delivered in comparison to the same period of 2015 (due to higher availability rates for the six months ended June 30, 2016).

### ***Expenses***

Our expenses increased by U.S.\$2,622 thousand, or 23.3%, to U.S.\$13,879 thousand for the six month period ended June 30, 2016 as compared to U.S.\$11,257 thousand for the corresponding period in 2015, primarily as a result of:

- *Administrative Expenses.* Our administrative expenses increased by U.S.\$799 thousand, or 12.5%, to U.S.\$7,170 thousand for the six month period ended June 30, 2016 as compared to U.S.\$6,371 thousand for the corresponding period in 2015, primarily due to an increase in salaries and wages due mainly to an increase in personnel as well as professional and legal fees, which was partially offset by a decrease in insurance expenses and expenses related to events and community work; and
- *Operating Expenses.* Our operating expenses increased by U.S.\$1,823 thousand, or 37.3%, to U.S.\$6,709 thousand for the six month period ended June 30, 2016 compared to U.S.\$4,886 thousand for the corresponding period in 2015, primarily due to an increase in inspection expenses, contracted services and parts and supplies, due to an increased amount of planned outages as compared to the same period in 2015, which were partially offset by a decrease in expenses related to contracted labor as a result of the absence of forced outages in the first six months of 2016.

### ***Operating Profit***

As a result of the above, our operating profit expense decreased by U.S.\$1,595 thousand, or 4.0%, to U.S.\$37,966 thousand for the six month period ended June 30, 2016 as compared to U.S.\$39,561 thousand for the corresponding period in 2015.

### ***Finance expenses***

Our finance expenses significantly increased by U.S.\$5,513 thousand in the six month period ended June 30, 2016 as compared to U.S.\$47 thousand for the corresponding period in 2015, primarily as a result of interest payments and other costs associated with two short-term loans equal to an aggregate principal amount of U.S.\$300,237 thousand. See “—*Material Indebtedness—First Citizens Loan*” and “—*Material Indebtedness—Credit Suisse Loan*”.

### ***Finance income***

Our finance income increased by U.S.\$961 thousand, or 18.2% to U.S.\$6,239 thousand in the six month period ended June 30, 2016 as compared to U.S.\$5,278 thousand for the corresponding period in 2015. Finance income in 2016 primarily consisted of a foreign exchange gain of U.S.\$5,659 thousand which was not present in 2015, and in 2015 primarily consisted of accrued interest in an amount of U.S.\$4,721 thousand from T&TEC with respect to its delayed payment. See “—*Material Factors Affecting Our Results of Operations—T&TEC Delayed Payments Under the PPA*.”

### ***Profit before tax***

As a result of the above, our profit before tax decreased by U.S.\$6,147 thousand, or 13.7% to U.S.\$38,645 thousand in the six month period ended June 30, 2016 as compared to U.S.\$44,792 thousand for the corresponding period in 2015.

### ***Taxation***

Our taxation decreased by U.S.\$2,604 thousand, or 22.9%, to U.S.\$8,751 thousand for the six month period ended June 30, 2016 as compared to U.S.\$11,355 thousand for the corresponding period in 2015, primarily as a result of a decrease in the deferred tax, which was partially offset by increases in the business levy and green fund levy.

### ***Net profit for the period***

As a result of the factors discussed above, our net profit for the period decreased by U.S.\$3,543 thousand, or 10.6%, to U.S.\$29,894 thousand for the six month period ended June 30, 2016 as compared to U.S.\$33,437 thousand for the corresponding period in 2015.

### ***Total comprehensive income***

As a result of the factors discussed above, our total comprehensive income for the period decreased by U.S.\$3,543 thousand, or 10.6%, to U.S.\$29,894 thousand for the six month period ended June 30, 2016 as compared to U.S.\$33,437 thousand for the corresponding period in 2015.

## Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Set forth below are our statements of comprehensive income for the years ended December 31, 2015 and 2014:

	Year Ended December 31,		% Change
	2015	2014	
	<i>(in thousands of U.S. Dollars)</i>		
	<i>(Audited)</i>		
<b>Revenue</b>			
Finance lease income.....	101,534	101,916	(0.4)
Other revenue .....	3,887	3,804	2.2
Total Revenue.....	105,421	105,720	(0.3)
<b>Expenses</b>			
Administrative expenses.....	(13,943)	(13,892)	0.4
Operating expenses.....	(10,193)	(6,381)	59.7
Total Expenses.....	(24,136)	(20,273)	19.1
<b>Operating profit.....</b>	<b>81,285</b>	<b>85,447</b>	<b>(4.9)</b>
Finance expenses .....	(4,731)	(5)	94,520.0
Finance income.....	6,848	7,332 <sup>(1)</sup>	(6.6)
<b>Profit before tax .....</b>	<b>83,402</b>	<b>92,774</b>	<b>(10.1)</b>
Taxation	(22,036)	(23,314)	5.5
<b>Net profit for the year .....</b>	<b>61,366</b>	<b>69,460</b>	<b>(11.7)</b>
<b>Total comprehensive income .....</b>	<b>61,366</b>	<b>69,460</b>	<b>(11.7)</b>

- (1) This amount is U.S.\$7,327 thousand in our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum as a result of netting a U.S.\$5 thousand bank charge reflected as finance expenses.

### Revenue

Our revenue decreased by U.S.\$299 thousand, or 0.3%, to U.S.\$105,421 thousand for the year ended December 31, 2015 as compared to U.S.\$105,720 thousand for the year ended December 31, 2014. This decrease was primarily as a result of:

- *Finance lease income.* Our finance lease income decreased by U.S.\$382 thousand, or 0.4%, to U.S.\$101,534 thousand for the year ended December 31, 2015, compared to U.S.\$101,916 thousand for the year ended December 31, 2014, primarily as a result of a decrease in availability as compared to the year ended December 31, 2014 due to forced outages in 2015; and
- *Other revenue.* Our other revenue increased by U.S.\$83 thousand, or 2.2%, to U.S.\$3,887 thousand for the year ended December 31, 2015, as compared U.S.\$3,804 thousand for the year ended December 31, 2014, primarily as a result of an increase in capacity revenues and energy delivered.

### Expenses

Our expenses increased by U.S.\$3,863 thousand, or 19.1%, to U.S.\$24,136 thousand for the year ended December 31, 2015 as compared to U.S.\$20,273 thousand for 2014, primarily as a result of:

- *Administrative expenses.* Our administrative expenses remained relatively stable, increasing only by U.S.\$51 thousand, or 0.4%, to U.S.\$13,943 thousand for the year ended December 31, 2015 as compared to U.S.\$13,892 thousand for the year ended December 31, 2014, due to a small increase in staff costs and depreciation, which was partially offset by a decrease in insurance expenses; and

- *Operating expenses.* Our operating expenses increased by U.S.\$3,812 thousand, or 59.7%, to U.S.\$10,193 thousand for the year ended December 31, 2015 primarily due to increased amounts of expenses for parts and supplies (U.S.\$1,626 thousand) due to increased maintenance needs and associated contracted services (U.S.\$1,856 thousand) resulting from forced outages, and inspections, which was partially offset by a reduction in contract labor costs.

### ***Operating Profit***

As a result of the above, our operating profit decreased by U.S.\$4,162 thousand, or 4.9%, to U.S.\$81,285 thousand for the year ended December 31, 2015 as compared to U.S.\$85,447 thousand for 2014.

### ***Finance expenses***

Our finance expenses significantly increased by U.S.\$4,726 thousand to U.S.\$4,731 thousand for the year ended December 31, 2015 as compared to U.S.\$5 thousand for the year ended December 31, 2014, primarily due to an increase in interest expense and finance fees resulting from the borrowing of U.S.\$300,237 thousand in 2015 from Credit Suisse and First Citizen's Bank under two bridge credit facilities. See "*—Material Indebtedness—First Citizens Loan*" and "*—Material Indebtedness—Credit Suisse Loan*".

### ***Finance Income***

Our finance income decreased slightly by U.S.\$484 thousand, or 6.6%, to U.S.\$6,848 thousand for the year ended December 31, 2015 as compared to U.S.\$7,332 thousand for the year ended December 31, 2014, primarily as a result of a decrease in the amount of interest income accrued on the delayed capacity payments due from T&TEC under the PPA in 2015 as compared to 2014, which unpaid amounts T&TEC paid in full in August 2015.

### ***Profit before tax***

As a result of the above, our profit before tax decreased by U.S.\$9,372 thousand, or 10.1%, to U.S.\$83,402 thousand for the year ended December 31, 2015 as compared to U.S.\$92,774 thousand for the year ended December 31, 2014.

### ***Taxation***

Our taxation decreased by U.S.\$1,278 thousand, or 5.5%, to U.S.\$22,036 thousand for the year ended December 31, 2015 as compared to U.S.\$23,314 thousand for the year ended December 31, 2014, primarily as a result of a reduction in deferred tax, as a result of a reduction in unutilized tax losses.

### ***Net profit for the year***

As a result of the factors discussed above, our net profit for the year decreased by U.S.\$8,094 thousand, or 11.7%, to U.S.\$61,366 thousand for the year ended December 31, 2015 as compared to U.S.\$69,460 thousand for the year ended December 31, 2014.

### ***Total comprehensive income***

As a result of the factors discussed above, our total comprehensive income for the year decreased to U.S.\$61,366 thousand for the year ended December 31, 2015 as compared to U.S.\$69,460 thousand for the year ended December 31, 2014.

## Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Set forth below are our statements of comprehensive income information for the years ended December 31, 2014 and 2013:

	<b>Year Ended December 31,</b>		
	<b>2014</b>	<b>2013</b>	<b>% Change</b>
	<i>(in thousands of U.S. Dollars)</i>		
	<i>(Audited)</i>		
<b>Revenue</b>			
Finance lease income.....	101,916	102,263	(0.3)
Other revenue .....	3,804	75,567	(95.0)
Total Revenue.....	105,720	177,830	(40.5)
<b>Expenses</b>			
Administrative expenses.....	(13,892)	(14,681)	(5.4)
Operating expenses.....	(6,381)	(4,755)	34.2
Total Expenses.....	(20,273)	(19,436)	4.3
<b>Operating profit</b>	85,447	158,394	(46.1)
Finance income.....	7,327	2,139	242.5
<b>Profit before tax .....</b>	92,774	160,533	42.2
Taxation.....	(23,314)	(41,689)	(44.1)
<b>Net profit for the year .....</b>	69,460	118,844	(41.6)
<b>Total comprehensive income .....</b>	69,460	118,844	(41.6)

### Revenue

Our revenue decreased by U.S.\$72,110 thousand, or 40.5%, to U.S.\$105,720 thousand for the year ended December 31, 2014 as compared to U.S.\$177,830 thousand for the year ended December 31, 2013. This decrease was primarily as a result of:

- *Finance lease income.* Our finance lease income decreased by U.S.\$347 thousand, or 0.3%, to U.S.\$101,916 thousand for the year ended December 31, 2014 as compared to U.S.\$102,263 thousand for the year ended December 31, 2013, primarily due to changes in the monthly availability figures for the comparable periods; and
- *Other revenue.* Our other revenue decreased by U.S.\$71,763 thousand, or 95.0%, to U.S.\$3,804 thousand for the year ended December 31, 2014 as compared to U.S.\$75,567 thousand for 2013, primarily because in 2013, TGU received a one-time liquidated damages payment of U.S.\$73,238 thousand from MAN Ferrostaal, the contractor under the EPC Contract for the construction of the Plant. See “—Material Factors Affecting Our Results of Operations—Liquidated Damages Payments”. This payment did not reoccur in 2014. The absence of this one-time payment in 2014 was partially offset by an increase in our capacity revenues, which increased by U.S.\$1,437 thousand, or 66.3%, to U.S.\$3,603 thousand for the year ended December 31, 2014 as compared to U.S.\$2,166 thousand for the year ended December 31, 2013, due to the consumer price index adjustment.

### Expenses

Our expenses increased by U.S.\$837 thousand, or 4.3%, to U.S.\$20,273 thousand for the year ended December 31, 2014 as compared to U.S.\$19,436 thousand for the year ended December 31, 2013, primarily as a result of an increase in operating expenses offset by a decrease in administrative expenses:

- *Administrative expenses.* Our administrative expenses decreased by U.S.\$789 thousand, or 5.4%, to U.S.\$13,892 thousand for the year ended December 31, 2014 as compared to U.S.\$14,681 thousand for the year ended December 31, 2013, due primarily to a decrease in insurance expenses and professional and legal fees, which were partially offset by an increase in salaries and wages; and

- *Operating expenses.* Our operating expenses increased by operating expenses increased by U.S.\$1,626 thousand, or 34.2%, to U.S.\$6,381 thousand for the year ended December 31, 2014 as compared to U.S.\$4,755 thousand for the year ended December 31, 2013, primarily as a result of additional expenses for contracted services and labor, workshop expenses and tools and equipment related to an increased in planned outages in 2014, including several inspections in the ordinary course during the year ended December 31, 2014.

### ***Operating Profit***

As a result of the above, our operating profit decreased by U.S.\$72,947 thousand, or 46.1%, to U.S.\$85,447 thousand for the year ended December 31, 2014 as compared to U.S.\$158,394 thousand for the year ended December 31, 2013.

### ***Finance Income***

Our finance income increased significantly by U.S.\$5,188 thousand, or 242.5%, to U.S.\$7,327 thousand for the year ended December 31, 2014 as compared to U.S.\$2,139 thousand for the year ended December 31, 2013, primarily as a result of an increase in the amount of interest income earned due to accrued interest due from T&TEC with respect to its delayed capacity payments and a marginal increase in interest income earned on cash and cash equivalents.

### ***Profit before tax***

As a result of the above, our profit before tax decreased by U.S.\$67,759 thousand, or 42.2%, to U.S.\$92,774 thousand for the year ended December 31, 2014 as compared to U.S.\$160,533 thousand for the year ended December 31, 2013.

### ***Taxation***

Our taxation decreased by U.S.\$18,375 thousand, or 44.1%, to U.S.\$23,314 thousand for the year ended December 31, 2014 as compared to U.S.\$41,689 thousand for 2013, primarily as a result of an unusually high deferred tax charge in the year ended December 31, 2013 of U.S.\$41,155 thousand, as a result of increased taxable income due to the one-time liquidated damages payment. See “—*Material Factors Affecting Our Results of Operations—Liquidated Damages Payments*”. See note 17 to our audited annual financial statements as of and for the year ended December 31, 2014 included elsewhere in this offering memorandum.

### ***Net profit for the year***

As a result of the factors discussed above, our net profit for the year decreased by U.S.\$49,384 thousand, or 41.6%, to U.S.\$69,460 thousand for the year ended December 31, 2014 as compared to U.S.\$118,844 thousand for the year ended December 31, 2013.

### ***Total comprehensive income***

As a result of the factors discussed above, our total comprehensive income for the year decreased by U.S.\$49,384 thousand, or 41.6%, to U.S.\$69,460 thousand for the year ended December 31, 2014 as compared to U.S.\$118,844 thousand for the year ended December 31, 2013.

## Liquidity and Capital Resources

Our principal capital requirements are for the following purposes: (i) operating and maintenance costs related to maintaining the useful life of our electricity generation assets; (ii) debt service payments, and (iii) dividend payments.

Our principal sources of liquidity and capital resources have traditionally consisted of (i) cash flows from operating activities (mainly capacity payments under our PPA); (ii) short-term borrowings, and (iii) long-term borrowings.

As of June 30, 2016, we had cash and cash equivalents of U.S.\$20,045 thousand, short-term deposits of U.S.\$75,885 thousand and trade and other receivables of U.S.\$22,427 thousand.

As of December 31, 2015, we had cash and cash equivalents of U.S.\$31,755 thousand, short-term deposits of U.S.\$63,130 thousand and trade and other receivables of U.S.\$11,383 thousand. Our trade and other receivables mostly related to past-due capacity payments resulting from delays in payments due from T&TEC under our PPA. See “—Material Factors Affecting Our Results of Operations—T&TEC Delayed Payments Under the PPA”.

We believe that, based on our current business plan and anticipated use of proceeds from this offering, our cash and cash equivalents on hand and our cash generated by operations will be adequate to meet all of our capital expenditure requirements related to ongoing maintenance and environmental improvements and our working capital needs in the ordinary course of our business in the near term.

## Cash Flows

### *Six Month Period Ended June 30, 2016 Compared to Six Month Period Ended June 30, 2015*

The following table sets forth a summary of our cash flows information for the six month periods ended June 30, 2016 and 2015:

	<b>Six Month Period Ended June 30,</b>	
	<b>2016</b>	<b>2015</b>
	<i>(in thousands of U.S. Dollars)</i>	
	<i>(Unaudited)</i>	
Net cash generated from operations.....	12,815	8,823
Net cash used in investing activities .....	(20,525)	(10,113)
Net cash used in financing activities.....	(4,000)	—
Net decrease in cash and cash equivalents.....	(11,710)	(1,290)
Cash and cash equivalents at beginning of the period .....	31,755	31,582
<b>Cash and cash equivalents at end of the period .....</b>	<b>20,045</b>	<b>30,292</b>

### *Net cash generated from operations*

Net cash generated from operations is our primary source of liquidity. Our net cash generated from operations increased by 45.2% to U.S.\$12,815 thousand for the six month period ended June 30, 2016 from U.S.\$8,823 thousand for the corresponding period in 2015. Despite reduced operating profit before changes in working capital, decreased use of cash due to an increase in trade and other receivables and amounts due to related parties resulted in an increase in net cash generated from operations.

### *Net cash used in investing activities*

Net cash used in investing activities increased by 103.0% to U.S.\$20,525 thousand for the six month period ended June 30, 2016 from U.S.\$10,113 thousand for the six month period ended June 30, 2015.

During the six month period ended June 30, 2016, investing activities for which we used cash primarily consisted of U.S.\$12,755 thousand invested in short term deposits.

***Net cash used in financing activities***

Net cash used in financing activities was U.S.\$4,000 thousand for the six month period ended June 30, 2016, compared to U.S.\$0 for the six month period ended June 30, 2015.

During the six month period ended June 30, 2016, we used cash to make dividend payments of U.S.\$4,000 thousand.

***Net decrease in cash and cash equivalents***

Cash and cash equivalents decreased significantly by U.S.\$11,710 thousand in the first six months ended June 30, 2016, compared to a decrease of U.S.\$1,290 thousand in the same period in 2015, primarily as a result of an investment in short-term deposits.

***Year Ended December 31, 2015 Compared to Year Ended December 31, 2014***

The following table sets forth a summary of our cash flows information for the years ended December 31, 2015 and 2014:

	<b>Year Ended December 31,</b>	
	<b>2015</b>	<b>2014</b>
	<b>(in thousands of U.S. Dollars)</b>	
	<i>(Audited)</i>	
Net cash generated from operations.....	265,657	9,024
Net cash used in investing activities.....	(13,721)	(10,273)
Net cash used in financing activities.....	(251,763)	—
Net increase/(decrease) in cash and cash equivalents.....	173	(1,249)
Cash and cash equivalents at beginning of the year.....	31,582	32,831
<b>Cash and cash equivalents at end of the year.....</b>	<b>31,755</b>	<b>31,582</b>

***Net cash generated from operations***

Net cash generated from operations, which is our primary source of liquidity, increased significantly by 2,843.9% to U.S.\$265,657 thousand for the year ended December 31, 2015 from U.S.\$9,024 thousand for the year ended December 31, 2014. This increase was primarily a result of a decrease in trade and other receivables, due to payment in full of the delayed capacity payments from T&TEC under our PPA. See “—Material Factors Affecting Our Results of Operations—T&TEC Delayed Payments Under the PPA”.

***Net cash used in investing activities***

Net cash used in our investing activities increased by 33.6% to U.S.\$13,721 thousand for the year ended December 31, 2015 from U.S.\$10,273 thousand for the year ended December 31, 2014. This increase was primarily due to a combination of additional purchases of property, plant and equipment which were offset by a reduced use of funds to purchase short-term deposits in 2015 as compared to 2014.

During the year ended December 31, 2015, investing activities for which we used cash primarily consisted of U.S.\$10,591 thousand in property, plant and equipment acquisitions, largely for construction work in progress and spare parts, and U.S.\$3,130 thousand in short-term deposits.

During the year ended December 31, 2014, investing activities for which we used cash primarily consisted of U.S.\$273 thousand in property, plant and equipment acquisitions and U.S.\$10,000 thousand in short-term deposits.

***Net cash used in financing activities***

Net cash used in financing activities were U.S.\$251,763 thousand for the year ended December 31, 2015, compared to net cash used in financing activities of U.S.\$0 for the year ended December 31, 2014. This increase was primarily due to our repayment of a loan from our parent company and the payment of a dividend.

During the year ended December 31, 2015, we received net proceeds of U.S.\$300,237 thousand from short-term loans, which was partially offset by a payment of U.S.\$330,000 thousand to repay a loan from our parent company, and used cash to make dividend payments of U.S.\$222,000 thousand.

***Net increase/ (decrease) in cash and cash equivalents***

As a result of the above, cash and cash equivalents increased by U.S.\$173 thousand in the year ended December 31, 2015, compared to a decrease of U.S.\$1,249 thousand for the year ended December 31, 2014.

***Year Ended December 31, 2014 Compared to Year Ended December 31, 2013***

The following table sets forth our summary cash flows information for the years ended December 31, 2014 and 2013:

	<b>Year Ended December 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>(in thousands of U.S. Dollars)</b>	
	<i>(Audited)</i>	
Net cash generated from / (used in) operations .....	9,024	(29,706)
Net cash used in investing activities .....	(10,273)	(29,902)
Net cash generated from financing activities.....	—	30,000
Net decrease in cash and cash equivalents.....	(1,249)	(29,608)
Cash and cash equivalents at beginning of the year.....	32,831	62,439
<b>Cash and cash equivalents at end of the year.....</b>	<b>31,582</b>	<b>32,831</b>

***Net cash generated from / (used in) operations***

Net cash generated from operations increased substantially to U.S.\$9,024 thousand for the year ended December 31, 2014 from net cash used in operations of U.S.\$29,706 thousand for the year ended December 31, 2013. In the year ended December 31, 2014, we had a modest increase in cash generated primarily due to cash from operating activities in excess of cash used for working capital due to a decrease in operating expenses. In 2013, we generated a lower amount of cash from operations due to the larger operating cash flows being offset and exceeded by significant working capital disbursements.

***Net cash used in investing activities***

Net cash used in investing activities decreased by 65.6% to U.S.\$10,273 thousand for the year ended December 31, 2014 from U.S.\$29,902 thousand for 2013. This decrease was primarily driven by the termination of certain construction activities relating to the Plant in 2013, and one-time purchases of spare parts for our inventory in 2013 that did not reoccur in 2014, which resulted in a reduced amount of U.S.\$273 thousand in acquisitions of property, plant and equipment in 2014, and a decrease of U.S.\$15,000 thousand resulting from the use of cash to invest in short-term deposits in 2014 as compared to 2013.

During the year ended December 31, 2014, investing activities for which we used cash primarily consisted of U.S.\$273 thousand in acquisitions of property, plant and equipment and U.S.\$10,000 thousand in investments in short term deposits.

During the year ended December 31, 2013, investing activities for which we used cash primarily consisted of U.S.\$4,902 thousand in acquisitions of spare parts and other property, plant and equipment and U.S.\$25,000 thousand due to cash invested in short term deposits.

#### ***Net cash generated from financing activities***

Net cash generated from financing activities was U.S.\$0 for the year ended December 31, 2014, compared to net cash generated from financing activities of U.S.\$30,000 thousand for the corresponding period in 2013.

During the year ended December 31, 2014, we received U.S.\$0 in net cash generated from financing activities.

During the year ended December 31, 2013, we received net proceeds of U.S.\$30,000 thousand from a capital contribution received from our parent company.

#### ***Net decrease in cash and cash equivalents***

As a result of the above, cash and cash equivalents decreased by U.S.\$1,249 thousand for the year ended December 31, 2014, compared to a decrease of U.S.\$29,608 thousand for the year ended December 31, 2013.

Our statement of cash flows for the years ended December 31, 2013 also reflects a capital reduction of U.S.\$568,023 thousand from our parent company GoRTT through UEEGCL which was reclassified in financial year 2013 from a capital contribution to current liabilities upon the decision of the Ministry of Finance of Trinidad and Tobago to reclassify UEEGCL's ownership of TGU as 75% debt and 25% equity. See "Business—History".

#### **Capital Expenditures**

Our capital expenditures from January 1, 2013 through December 31, 2015, have amounted to U.S.\$15,766 thousand, and we have expended an additional U.S.\$7,770 thousand for the six months ended June 30, 2016 and U.S.\$6,947 thousand for the six months ended June 30, 2015. Our capital expenditures include ongoing maintenance, purchases of spare parts, risk management and environmental improvement works.

The following table presents our capital expenditures by category for the periods indicated:

	<b>Six Month Period Ended</b>		<b>Year Ended December 31,</b>		
	<b>June 30,</b>		<b>2015</b>	<b>2014</b>	<b>2013</b>
	<b>2016</b>	<b>2015</b>			
	<i>(in thousands of U.S. Dollars)</i>				
Emergency gas supply .....	2,988	3,788	4,536	-	-
Additional demineralized water.....	1,118	320	2,077	-	-
Sound attenuation .....	868	-	1,093	-	-
Spare parts .....	2,400	2,628	2,642	-	2,829
Fire-proof equipment.....	133	-	-	-	-
Heavy equipment.....	108	-	-	-	-
Insurance risk management projects.....	-	140	107	-	-
Road Works .....	-	-	-	67	1,059
Security fencing and wall .....	-	-	-	-	682
Warehouse dome .....	-	-	-	-	295
North Pond improvement .....	-	-	-	135	-
Miscellaneous .....	155	71	136	71	37
<b>Total capital expenditures.....</b>	<b>7,770</b>	<b>6,947</b>	<b>10,591</b>	<b>273</b>	<b>4,902</b>

We expect our capital expenditures for the next five years to primarily be related to maintenance costs. We expect these capital expenditures to be paid for from cash from operations.

The table below provides a breakdown of our budgeted projected expenditures for the calendar years ended December 31, 2017, 2018, 2019, 2020 and 2021.

	2017	2018	2019	2020	2021
		<i>(in thousands of U.S. Dollars)</i>			
Information technology .....	230	355	85	65	428
Plant improvement projects .....	6,850	3,000	-	-	-
Total Planning & Logistics Major					
Maintenance Capital Expenses .....	2,754	2,809	1,910	1,948	-
<b>Total Capital Projects .....</b>	<b>9,834</b>	<b>6,164</b>	<b>1,995</b>	<b>2,013</b>	<b>428</b>
Spare parts .....	5,406	-	-	-	11,742
<b>Total .....</b>	<b>15,240</b>	<b>6,164</b>	<b>1,995</b>	<b>2,013</b>	<b>12,170</b>

No assurances can be made that our actual capital expenditures will not exceed our projected capital expenditures.

### Material Indebtedness

As of June 30, 2016, our total outstanding indebtedness was U.S.\$522,660 thousand, U.S.\$294,578 thousand of which is short-term indebtedness owed to third party financial institutions as described below.

The following table sets forth selected information regarding our principal outstanding short-term and payables due to related parties, as of June 30, 2016:

	Outstanding Principal Amount as of June 30, 2016 <i>(in thousands of U.S. Dollars)</i>	Interest Rate	Final maturity
Payables due to related parties:			
UEEGCL capital reduction <sup>(1)</sup>	228,023	n.a.	n.a.
Short-term Debt: <sup>(1)</sup>			
First Citizens Loan .....	144,578	TT\$ Open Market Operations Index + 155 bps	September 30, 2016
GoRTT .....	59	n.a	n.a
Credit Suisse Loan .....	150,000	U.S.\$ 3-month LIBOR + 287.5 bps	December 21, 2016
<b>Total .....</b>	<b>522,660</b>		

- (1) On July 7, 2016, TGU entered into the Syndicated Bridge Facility with Credit Suisse AG, Cayman Islands branch, as administrative agent and lead arranger, and various financial institutions as lenders for U.S.\$600.0 million, which is scheduled to mature on July 5, 2017. The interest rate on amounts drawn under such facility will be based on LIBOR plus a margin that increases over the course of the loan. See “—*Syndicated Bridge Facility*.” The proceeds under such loan were used to repay in full the First Citizens Loan and the Credit Suisse Loan and repay U.S.\$228,023 thousand to our parent company, UEEGL.

Some of the debt instruments require that we comply with financial covenants semiannually or quarterly. For further information, see note 14 to our audited annual financial statements as of and for the year ended December 31, 2015 included in this offering memorandum.

### ***Syndicated Bridge Facility***

TGU entered into the U.S.\$600.0 million Syndicated Bridge Facility with Credit Suisse AG, Cayman Islands branch, as administrative agent and lead arranger and various financial institutions as lenders, on July 7, 2016. The Syndicated Bridge Facility is scheduled to mature on July 5, 2017. The interest rate for the Syndicated Bridge Facility is LIBOR plus a margin that increases every three months over the period of the loan as follows: 2.875% during the first three months, 3.000% over the second three months, 3.125% over the third three months, and 3.250% over the final three months, which is payable quarterly. The loan can be prepaid. The loan is secured by assignment of the proceeds of the PPA and the Guarantee to designated collection accounts, and by any amounts in deposit in such collection accounts. The terms of the Syndicated Bridge Facility restrict TGU's ability to issue equity shares, incur additional debt, pay dividends or incur capital expenditures in excess of U.S.\$17.5 million without express permission from the lenders. The Syndicated Bridge Facility contains covenants requiring TGU to maintain an interest cover ratio of 3:1 and a leverage ratio of 6:1.

As of the date of this offering memorandum, we were in compliance with all applicable financial covenant ratios. We intend to use the net proceeds from this offering, together with cash on hand and other funds available to us, to refinance amounts outstanding under the Syndicated Bridge Facility, and expect to execute and file all necessary documentation for the release and discharge of security interests in collateral pledged under the Syndicated Bridge Facility as soon as practicable following the completion of this offering. See "*Use of Proceeds.*"

### ***First Citizens Loan***

TGU entered into a credit agreement with First Citizens Bank Limited for TT\$960 million (U.S.\$150.2 million) on September 30, 2015. The loan was scheduled to mature on September 30, 2016, and as of the date of this offering memorandum, had been repaid in full (U.S.\$144,700 thousand) with proceeds from the Syndicated Bridge Facility. The interest rate for this credit facility was based on the TT\$ Open Market Index plus 155 basis points, for an annual effective interest rate of 2.8%, which is payable semiannually. The loan was secured by assignment of the proceeds of the PPA. The terms of the credit facility restricted TGU's ability to issue shares, incur additional debt, pay dividends or incur capital expenditures in excess of U.S.\$20 million without express permission from the lenders. The credit facility contained covenants requiring TGU to maintain an interest cover ratio of 2:1 and a leverage ratio of 3:1.

### ***Credit Suisse Loan***

TGU entered into a credit agreement with Credit Suisse as administrative agent, and the Lenders party thereto, for U.S.\$150.0 million on December 21, 2015. The loan was scheduled to mature on December 21, 2016, but as of the date of this offering memorandum, had been repaid in full (U.S.\$150,000 thousand) with proceeds from the Syndicated Bridge Facility. The interest rate for this credit facility was based on the U.S. Dollar three-month LIBOR rate plus 287.5 basis points, for an annual effective interest rate of 3.4605%, which is payable quarterly. The loan was secured by assignment of the proceeds of the PPA. The terms of the credit facility restricted TGU's ability to issue shares, incur additional debt, pay dividends or incur capital expenditures in excess of U.S.\$20 million without express permission from the lenders. The credit facility contained covenants requiring TGU to maintain an interest cover ratio of 2:1 and a leverage ratio of 3:1.

As of December 31, 2015, the PPA and the Guarantee as well as certain accounts were pledged as security for the financing agreements to which we are a party.

### **Quantitative and Qualitative Disclosures about Market Risk**

For quantitative and qualitative information on our market risk, refer to notes 2 and 21 of our audited annual financial statements included in this offering memorandum.

**Research and Development, Patents and Licenses, Etc.**

We did not have significant research and development expenses during the years ended December 31, 2015, 2014 and 2013.

**Dividends**

Dividend payment amounts and dates are determined by our board of directors, and subsequently submitted for approval at our regular annual shareholders' meeting as established by Trinidad and Tobago law. After duly determining dividend payments according to the procedure mentioned above, we made the following dividend payments in the periods listed below:

<b>Period</b>	<b>Dividend Payments</b>
	<i>(in thousands of U.S. Dollars)</i>
Six Month Period Ended June 30, 2016	4,000
Year Ended December 31, 2015	222,000
Year Ended December 31, 2014	0
Year Ended December 31, 2013	0

**Off-Balance Sheet Arrangements**

We are not party to any off-balance sheet arrangements.

## INDUSTRY AND REGULATION

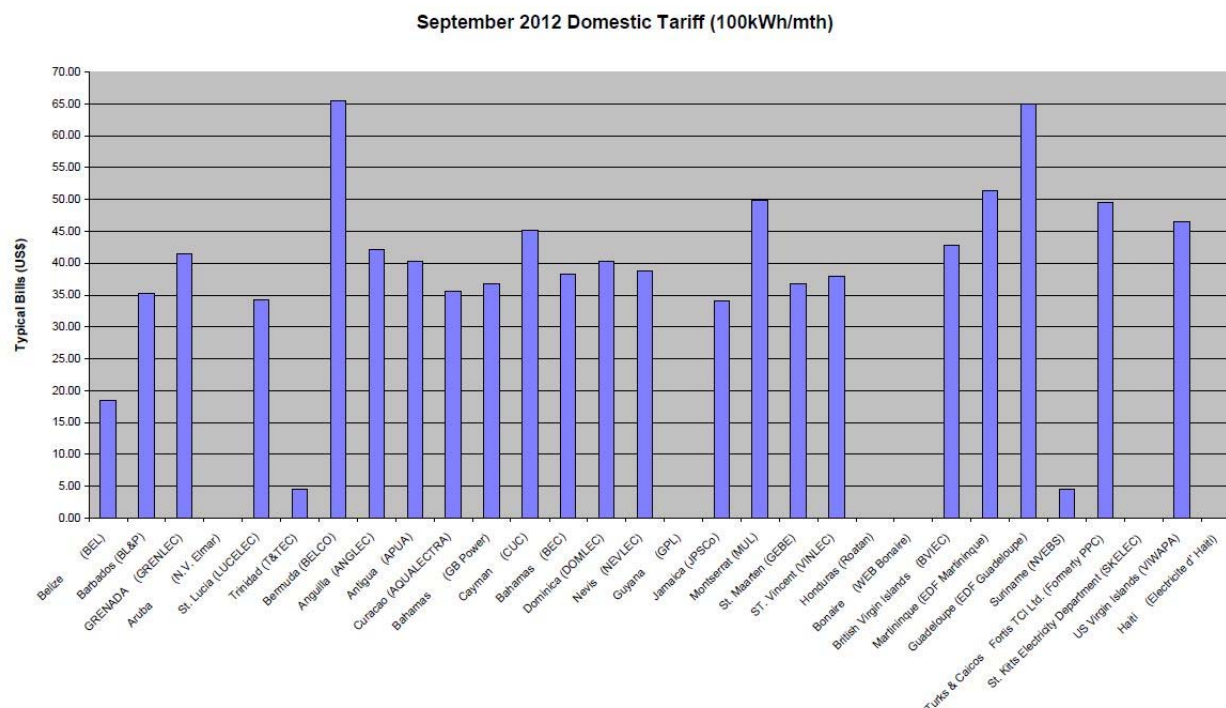
### Overview

In Trinidad and Tobago, electricity generation comes primarily from natural gas-fired power stations. As of October 2016, Trinidad and Tobago had an installed capacity of 2,094MW and a total contracted capacity of 1,837MW. Trinidad and Tobago's electricity rates are some of the lowest in the Caribbean at approximately U.S.\$0.05 per kilowatt-hour (kWh), well below the regional average of U.S.\$0.39/kWh as of 2012 (the rates in Trinidad and Tobago have not changed since 2012). The greatest demand is from the industrial sector, where the development of a downstream petrochemicals industry has created strong growth in power demand. Unlike many island nations, Trinidad and Tobago has significant oil and natural gas reserves and is a net exporter of hydrocarbons.

Trinidad and Tobago meets all of its domestic power needs locally, neither importing nor exporting electricity. Approximately 99% of the country's population has access to the national electricity grid, which had an estimated electrical energy consumption of 9.6 thousand GWh for the year ended December 31, 2015 and 7.0 thousand GWh as of September 30, 2016, according to T&TEC.

The country's electricity prices are among the lowest in Latin America, since low-cost power is part of the government's policy to incentivize industrial development to help the country diversify its economy away from oil and gas. Trinidad and Tobago is one of the world's largest exporters of both ammonia and methanol and is the world's sixth largest liquefied natural gas exporter. These industries and others benefit from the low industrial electricity rates offered by T&TEC, as a result of the availability of low-cost abundant domestic natural gas resources.

The chart below illustrates domestic tariffs in each Caribbean country as of September 2012.



Source: CARILEC

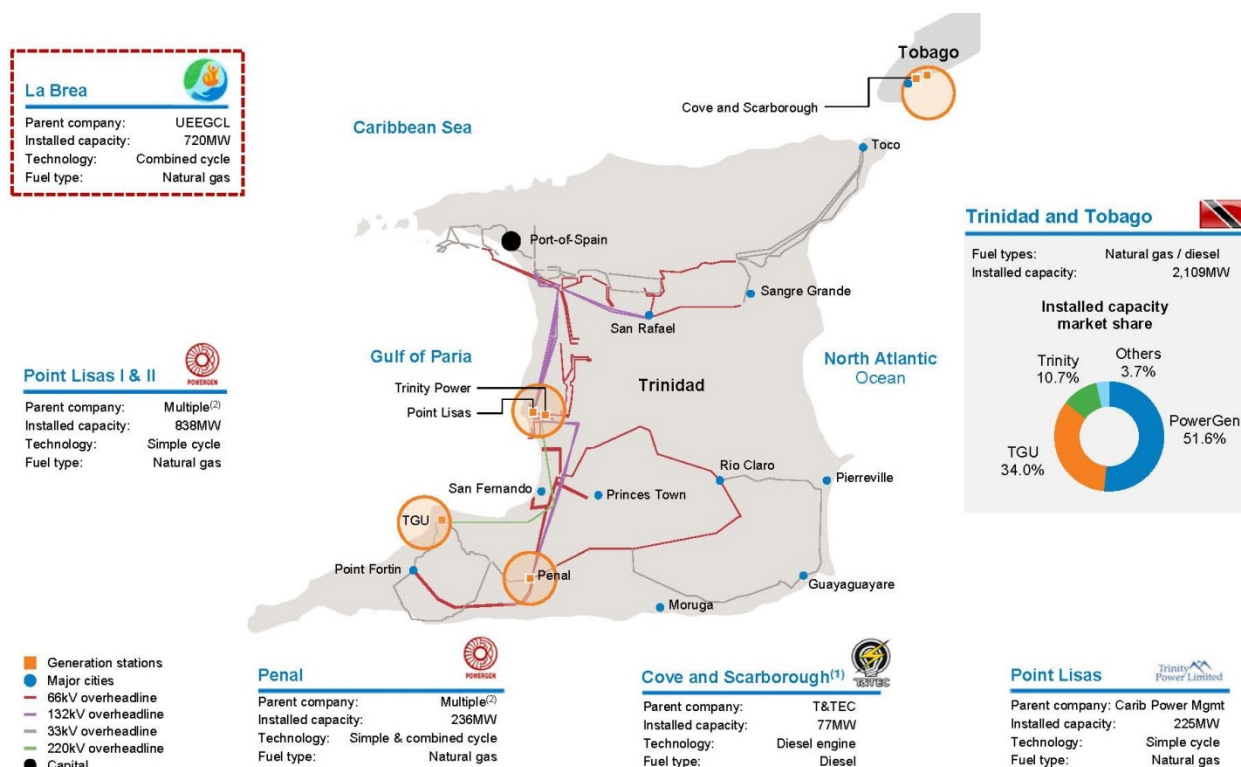
The government-owned T&TEC has a monopoly on the transmission and distribution of electricity. Established in 1945, T&TEC is a 100% government-owned enterprise established under Chapter 54:70 of the Trinidad and Tobago Electricity Commission Act responsible for the operation of the country's power transmission and distribution networks. Over the years, T&TEC has evolved from an integrated power company (power generation, transmission and distribution) to an organization that directly oversees the design, construction, operation and maintenance of the country's electrical transmission and distribution network as well as generation capacity planning and procurement. T&TEC outsources electricity generation via a licensing system. T&TEC contracts with a few electricity generation players, of which we are the second-largest in terms of installed capacity and contracted capacity.

In 2012, T&TEC's sales reached 8,708 GWh, an increase of 590 GWh or 7.2% over 2011. Electricity sales increased by 54% between 2002 and 2012, representing an annual growth rate of 4.5%. Almost all of this increase can be attributed to higher per capita consumption of electricity as Trinidad and Tobago's population grew by only 4.6% over the same period.

## Power Generation Companies

The images below illustrate the generation market asset overview in Trinidad and Tobago, and demonstrate that TGU is the largest and most efficient combined cycle generation facility in the country.

The diagram below illustrates the Trinidad and Tobago electricity generation breakdown:



Source: Company information, Ministry of Energy and Energy Affairs (MEEI).

(1) Used mainly for standby capacity.

(2) T&TEC (51%), Marubeni Corporation (39%), and National Enterprises Limited (10%).

The tables below illustrate TGU's efficiency compared to system average efficiency in the Trinidad and Tobago market for the period from January through August 2016:

TGU Efficiency		
Date	Heat Rate (kJ/kWh)	Thermal Efficiency
Jan-16	9,900	36.4%
Feb-16	9,256	38.9%
Mar-16	8,845	40.7%
Apr-16	8,621	41.8%
May-16	8,660	41.6%
Jun-16	8,718	41.3%
Jul-16	8,536	42.1%
Aug-16	8,386	42.9%

System Average Efficiency		
Date	Heat Rate (kJ/kWh)	Thermal Efficiency
Jan-16	12,529	28.7%
Feb-16	12,058	29.9%
Mar-16	11,982	30.0%
Apr-16	11,835	30.4%
May-16	11,510	31.3%
Jun-16	11,731	30.7%
Jul-16	11,194	32.2%
Aug-16	11,279	31.9%

*Source: T&TEC, compiled by TGU*

According to the Ministry of Energy and Energy Industries ("MEEI"), electricity on the island of Trinidad is mainly produced by three Independent Power Producer's ("IPPs"): TGU (with a total capacity of 720 MW), the Power Generation Company ("PowerGen") (1,074 MW) and Trinity Power (225 MW). For the island of Tobago, electricity is produced by two power stations owned by T&TEC, Cove and Scarborough, with a total installed capacity of 77 MW.

### **TGU**

**Ownership:** TGU operates a 720MW combined-cycle power generation plant on approximately 16 hectares of land at Union Industrial Estate in La Brea. The Plant was originally conceived as a 60%-40% joint venture between AES Corporation (a US-based corporation) and the GoRTT with funding in the form of debt financing from the international financial market. With the collapse of the financial markets in 2008, GoRTT assumed majority and later all of the ownership of the project and responsibility for its financing. As of December 31, 2012, the total cost of the facility amounted to U.S.\$744,723 thousand. The total cost was transferred from property, plant and equipment and recorded as a net investment in leased assets (lease receivable).

On July 10, 2013, the GoRTT, through its subsidiary UEEGCL, acquired the remaining shares of TGU held by the AES Corporation and therefore became the sole owner of the facility. See "*Business—History*".

**Capacity:** This facility was established to provide electrical power to the then proposed Alutrint Aluminum Smelter Plant and bulk power to T&TEC. The Alutrint Aluminum Smelter Plant was never constructed and, as a joint and several obligor under the PPA, T&TEC is now the sole offtaker for the full capacity and energy contracted with TGU under the PPA. Work on this facility started in January 2009. The facility is the country's second combined-cycle power facility, the first one being in Penal. On December 18th, 2012, TGU assumed care, custody and control of the entire facility from the EPC Contractor MAN Ferrostaal and thereafter declared commercial operations to T&TEC up to the contracted capacity of 720 MW.

The Plant consists of six GE gas turbines rated for a combined output of 450 MW. Waste heat from the exhaust of these gas turbines is utilized by six heat recovery steam generators to produce steam. The steam produced by this waste heat is used to power two steam turbines. These produce an additional 270 MW of power without the use of any additional natural gas. This use of proven, efficient technology allows TGU to be the lowest cost, most efficient electricity generation facility in Trinidad and Tobago. See "*Business*".

### ***PowerGen***

PowerGen was established on December 23, 1994 as a joint venture company created out of the partial divestment of T&TEC. PowerGen was formed to purchase the generation assets of T&TEC. However, majority shareholding in PowerGen has been retained by T&TEC.

Ownership: In 1994, T&TEC divested its generation assets to PowerGen, a company whose ownership structure at the time was T&TEC with a 51 % shareholding, followed by Southern Electric International with 39 % and Amoco with 10 %. As of the date of this offering memorandum, T&TEC has a majority shareholding in PowerGen, while Maru Energy Trinidad LLC and NEL Power Holdings Limited hold a 39% and 10% interest, respectively.

Capacity: PowerGen operates two major power generation plants at Point Lisas and Penal. The largest plant is located at Point Lisas.

Their individual capacities are:

Point Lisas: 838 MWh (simple cycle)

Penal: 236 MW (simple and combined-cycle)

Until recently, PowerGen also operated a 308MW facility at the Port of Spain, but it was shut down in January 2016 and is planned to be de-commissioned as part of T&TEC's strategy to modernize its power supply.

### ***Trinity Power Ltd, Point Lisas***

Ownership: Trinity Power Limited ("TPL") is owned by US based Carib Power Management LLC, which is a small private independent power and infrastructure company with expertise in the development, acquisition and long term operation of power generation, natural gas exploration and transportation and infrastructure projects.

Capacity: The facility of TPL consists of three GE simple cycle gas turbines with an installed capacity of 225 MW. The plant is also equipped with a back-up 1.5 MW black start diesel generator.

Start of commercial operations: September 1999.

### ***Cove and Scarborough***

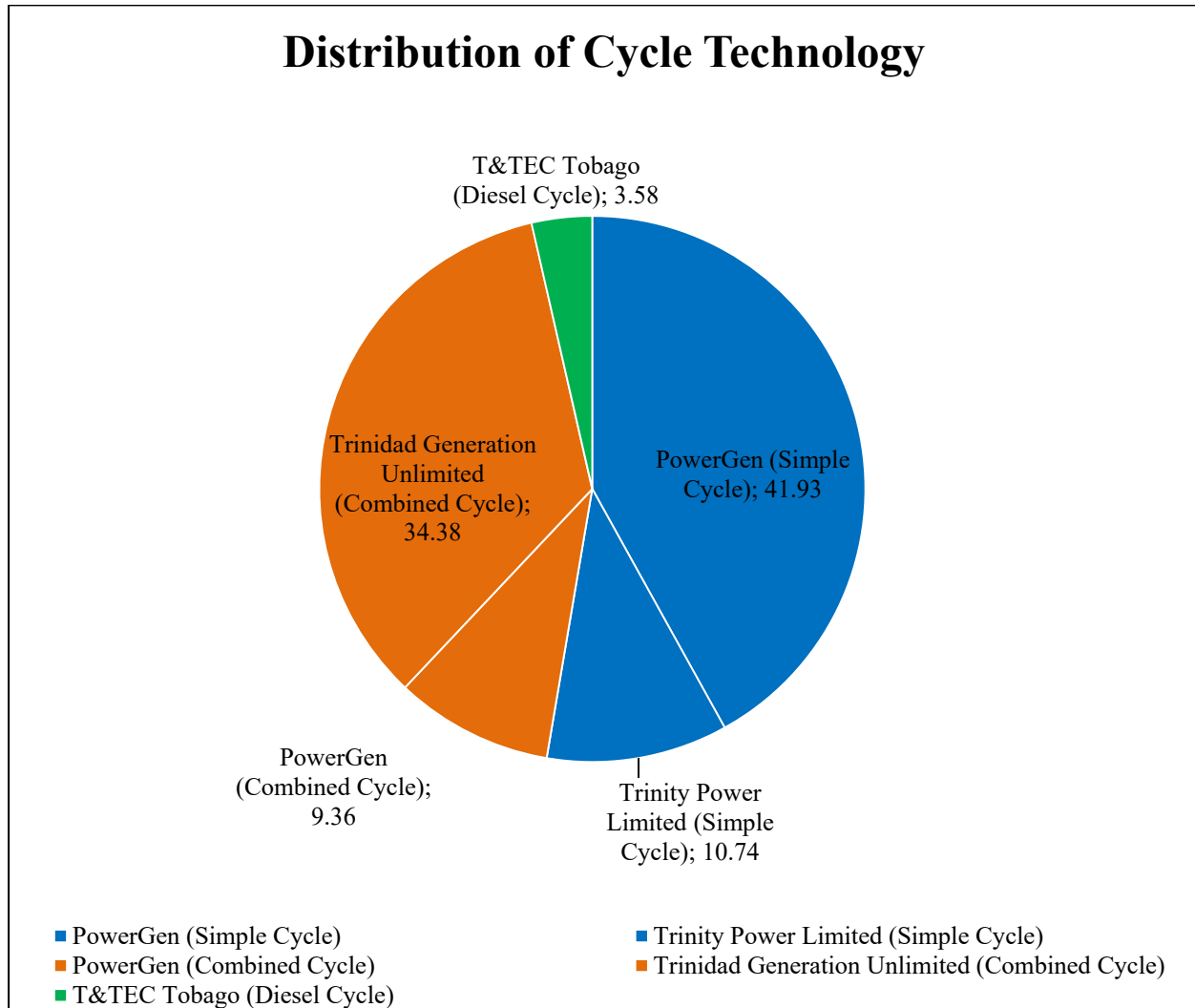
Ownership: both plants located in Tobago are owned and operated by T&TEC.

Capacity: 77 MW Reciprocating Engines (diesel). The new Cove power plant, commissioned in 2009, with a capacity of approximately 66 MW, runs on both diesel and natural gas and will meet the growing demand on the island. The older Scarborough diesel plant with a capacity of 11 MW is used as a standby backup facility.

## Electricity Generation Matrix

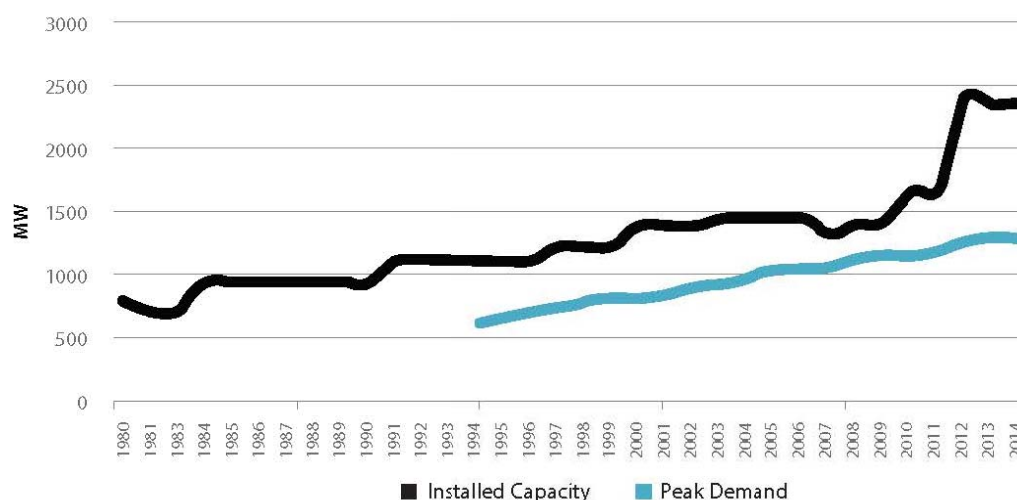
As of 2016, about 99% of Trinidad and Tobago's installed capacity is from gas-fired power generation plants. Just over half of this installed capacity comes from simple-cycle gas turbines operated primarily by PowerGen at its Point Lisas plant and by Trinity Power Limited. Combined-cycle generation represents approximately 44% of installed capacity. The TGU plant makes up the bulk of combined-cycle capacity. Diesel generation capacity is operated by T&TEC at its Cove and Scarborough plants (the Cove plant is also capable of running on natural gas).

The chart below illustrates the distribution of cycle technology in Trinidad and Tobago as of October 2016.



Source: TGU

The graph below illustrates Trinidad and Tobago's installed capacity and peak demand from 1980 to 2014.



Source: IDB Report

According to the IDB Report, between 1994 and 2012 T&TEC average peak load increased by an average annual rate of 4.3%. T&TEC and the Regulated Industries Commission ("RIC") have been able to accurately forecast the growth of peak demand over the years.

According to the IDB report, in 2011 T&TEC's electricity sales by sector were as follows: The industrial sector represents the by far largest consumer of electricity in the country and accounted for 60% of sales with 4,825 GWh. Of the 60%, heavy industrial consumption represented 36% and light industrial consumption accounted for 24%.

The residential sector consumed 29% of T&TEC's sales equaling 2,412 GWh. The commercial sector came in as the third largest consumer with 773 GWh representing 10% sales. Other consumption, primarily street lighting, accounted for sales of 109 GWh representing 1%.

The chart below illustrates Trinidad and Tobago electricity consumption by sector as of 2013:



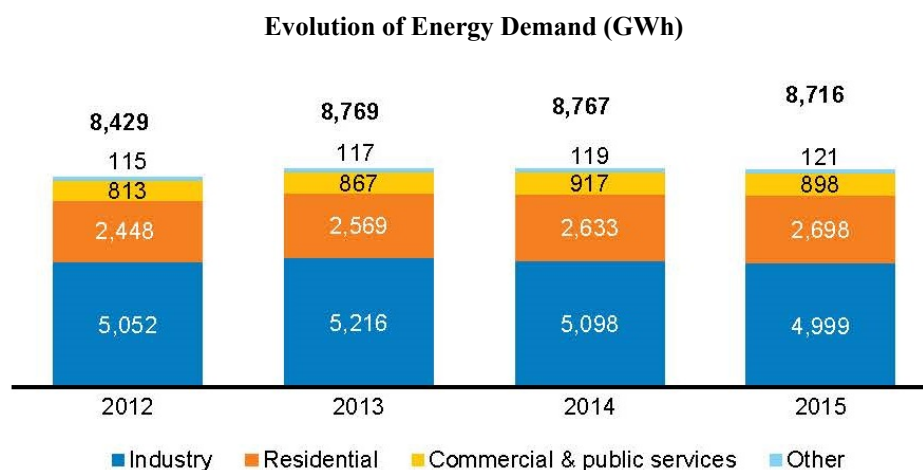
Source: IDB Report

Residential electricity sales represented 24.1% of the country's total electricity sales in 2001, increasing to 29.7% by 2011. Over the same period, the industrial sector's share of electricity sales decreased from 65.8% to 59.4% and commercial and public services consumption remained largely stable, falling slightly from 9.8% to

10.0%. The role of street lighting was expanded and its share increased from 0.4% to 1.3% in accordance with the IDB Report.

The industrial sector experienced its most significant decrease in consumption in the period 2007-2008 when its consumption dropped from 4,833 GWh to 4,345 GWh, resulting in its share falling from 64.1% to 57.7%. The global economic downturn can help explain this significant decrease in consumption of the industrial sector.

The chart below shows the evolution of energy demand in Trinidad and Tobago in the industrial, residential, commercial & public services and other sectors for the period from 2012 through 2015.



*Source: IDB Report*

## Transmission and Distribution

Trinidad and Tobago's electrification rate (percentage of households with access to electricity) was 99% as of June 2016. With a current peak demand of 1396MW, energy sales forecasts indicate that the country will require additional generation of 350MW by the year 2020. To keep up with the growing demand, T&TEC has focused on the expansion of the national transmission system since 2008. As part of this effort, T&TEC expanded the existing 33kV, 66kV and 132kV system. In order to get power from TGU throughout the national grid, T&TEC constructed the Union Estate 220kV transmission system which was energized in October 2010. T&TEC transmits and distributes electricity from 34 generating units via 30 transmission lines. The islands of Trinidad and Tobago are connected via two submarine cables rated at 20MW and 25MW to meet the islands' maximum demand, which stands around 40MW.

Restrictions on the transmission lines and substation capacity have prevented us from operating our plant at full load. In order to take advantage of the Plant's full capacity and alleviate the transmission constraint, T&TEC began construction of a new substation (the Gandhi Substation) in 2014 to support the transmission of the remaining capacity. The first transformer at the Gandhi Substation was commissioned in March 2015, and the second transformer is anticipated to be commissioned in December 2016. The element of the total transmission solution recommended for the incorporation of the TGU facility still under construction is the installation of a second 220/132 kV transformer at Gandhi Village Substation. A number of new 132 kV circuits from T&TEC's Debe Substations to various other locations in T&TEC's existing 132kV transmission system were completed in 2016. These changes will allow us to supply the full 720MW of capacity to T&TEC under normal conditions. Once TGU is fully online the facility will supply approximately half of the country's current power demand and meet future electricity demand growth up to the year 2019.

T&TEC's system losses compare favorably with most neighboring countries in the Caribbean. A key factor in limiting overall losses is the country's low transmission losses. More than 40% of demand load is located close to the generation facilities and the remaining load is transmitted via high-voltage lines, both factors limiting transmission losses. Loss rates have declined continuously since the 1960s. During the 1960s loss rates declined

from around 25% to around 15%. Throughout the 1980s and 1990s, loss rates hovered around 10%, before decreasing further during the 2000s. Since the late 2000s and early 2010s, loss rates have stood around 7%.

## Regulation of the Electricity Sector

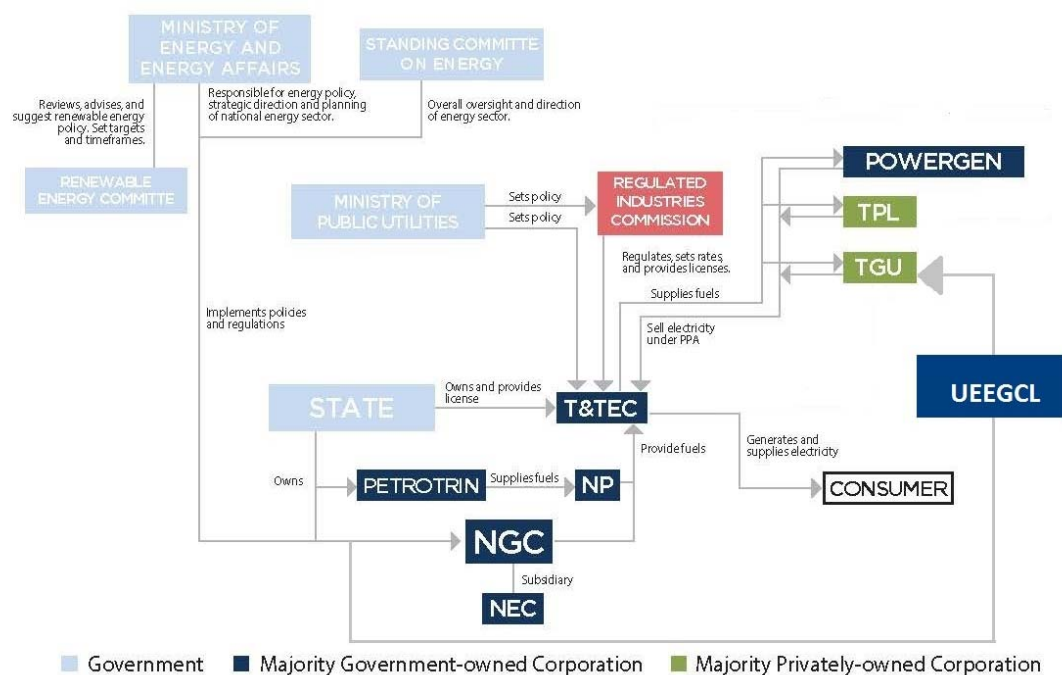
### Regulatory Entities

The energy sector in Trinidad and Tobago is subject to regulation and supervision by several government agencies and entities. The MEEI sets the overall energy and mineral policy, which includes the oil, gas and electricity sector.

The MEEI is responsible for monitoring, controlling and regulating the energy and mineral sectors of Trinidad and Tobago. It determines, formulates, implements and enforces the country's energy policy. It also develops and implements fiscal, environmental, pricing and industry policies relating to the energy sector and controls state-owned and energy-related companies.

The Ministry of Public Utilities ("MPU") is the ministry that oversees T&TEC and sets the sector policy. The MPU's primary role is to promote the development of a modern and technologically advanced utility sector (electricity, telecommunications and mail) that provides cost effective and quality services to all consumers. Under the RIC Act, the MPU remains responsible for the granting of licenses in the utility sector. MEEI governs and sets the policy for UEEGCL, which in turn is the direct 100% shareholder of TGU.

### Organization and Function of Energy Sector, as of 2015



Source: IDB Report

### Electricity Commission Act

The Trinidad and Tobago Electricity Commission Act of 1945 Chapter 54.70 of the Laws of Trinidad and Tobago (the "Electricity Commission Act") provides the legal framework for the generation and supply of electrical energy in Trinidad and Tobago. The Electricity Commission Act establishes the Trinidad and Tobago Electricity Commission (T&TEC), which is an enterprise 100% owned by GoRTT whose responsibility includes the generation, transmission, transformation, distribution and sale of energy in Trinidad and Tobago.

T&TEC's mandate is to ensure that the country's generation capacity is adequate to meet the national demand at all times. The Electricity Commission Act vests in T&TEC the right to generate energy in Trinidad and Tobago. However T&TEC may, with the approval of the Minister with the relevant authority, issue an order to declare that a company has been granted the right to generate electricity, and generation capacity in Trinidad and Tobago is acquired mainly through long term PPAs with IPPs approved by T&TEC, based on competitive bidding. On January 30, 2009, the Minister with the responsibility for T&TEC granted permission for T&TEC to purchase electricity from TGU, and on September 15, 2009 T&TEC and TGU executed an Electricity Generation and Supply License Agreement whereby T&TEC granted TGU the non-exclusive right to generate and supply electricity to T&TEC upon the terms and conditions of the PPA. See "*Business*".

### ***Institutional Structure of the Electricity Subsector***

The electricity sector is dominated by the state-owned utility company T&TEC, which is responsible for operation and maintenance of all of the country's transmission and distribution lines. T&TEC is responsible for the generation, transmission, distribution and sale of electricity. It also designs, constructs, operates and maintains the country's transmission and distribution network. Under the Electricity Commission Act, T&TEC is given a legal monopoly for the generation, transmission, transformation, distribution, purchase and sale of electricity in the whole of Trinidad and Tobago. The Electricity Commission Act, however, allows it to enter into license agreements with approved generators of electricity, or IPPs to provide electricity on a non-exclusive basis, subject to the terms and conditions set by the Ministry. T&TEC also remains the sole supplier of electricity, purchasing all generated electricity from the IPPs before transmitting, distributing and selling it to consumers. T&TEC purchases all gas required for the generation of electricity from National Gas Company and supplies it to the IPPs (including our plant).

In 1994 T&TEC moved away from operating as a vertically integrated utility to focus on transmission and distribution when it divested all its Trinidad-based generation assets at the Port of Spain, Port Lisas and Penal Power Stations to form a majority-owned subsidiary called PowerGen. In addition to PowerGen, which technically operates as an IPP although it is still majority owned by T&TEC, T&TEC has also granted generation licenses to Trinity Power Limited and TGU.

The RIC is a consumer-oriented statutory body responsible for the regulation of the electricity sector. Its key function, among many, consists of establishing the principles under which the electricity tariffs are calculated and ensuring compliance with these tariffs and other regulatory rules. It was established in 1998 with the Regulated Industries Commission Act, No. 26 of 1998 and began operation in 2000. It replaced the Public Utilities Commission, which had performed as the regulator since its inception of 1966. In addition to regulating the electricity services it also regulates water utility services. The RIC functions as an independent statutory body tasked with promoting the highest quality of services, ensuring reasonable rates and building a regulatory framework ensuring the fairness and transparency of utility services in all of Trinidad and Tobago. The RIC currently regulates three power providers: T&TEC, Trinity Power and PowerGen. TGU does not fall under the purview of the RIC.

### ***Electricity Rates***

Overall electricity prices are set by the RIC, which was established in 1998. RIC distinguishes between five categories of consumers when setting electricity rates. The categories include residential, commercial, industrial, heavy industrial and street lighting. Commercial and industrial rates are further differentiated based on electricity demand, maximum demand and voltage. Every five years the RIC determines the principles and methodology upon which the electricity tariffs are calculated. The last five-year regulatory period began on June 1, 2011, following a request by T&TEC for a 21% increase in rates. Within each regulatory period the RIC annually reviews the cap on T&TEC's revenues and adjusts tariffs accordingly to meet this cap. T&TEC submits a rate adjustment proposal at least two months before the end of each annual control period. The RIC evaluates this proposal based on a set of performance standards, e.g., heat rate, transmission and distribution losses, and either approves the adjustment or rejects it. If the new rate is approved T&TEC needs to inform its customers at least two weeks prior to the new rates taking effect. The last price control period ended on May 31, 2011. As T&TEC did not have a functioning board of directors in 2010 or 2011, the RIC is only now working on finalizing a new rate determination. Electricity rates do not apply to TGU, as they are agreed in the PPA.

### ***Environmental Matters***

The Environmental Management Act Chapter 35:05 of the Laws of Trinidad and Tobago (the “Environmental Management Act”) establishes the Environmental Management Authority (“EMA”), which is the governmental body responsible for the development of the legal, regulatory and institutional framework for environmental management.

Pursuant to the Environmental Management Act, the EMA issued the Certificate of Environmental Clearance (Designated Activities) Order. This order lists all of the activities that require the grant of a certificate of environmental clearance from the relevant governmental authority before they can be undertaken and includes the generation of electricity as such an activity. TGU therefore applied to the authority and on January 15, 2009 received a Certificate of Environmental Clearance authorizing the establishment of the Plant. TGU is in material compliance with current regulations and has instituted programs to ensure compliance on an on-going basis, such as emissions, effluent, noise and air monitoring and reporting to the EMA. Additionally, TGU has a well-established environmental management system to mitigate all known risks to the Plant.

### ***Employment Matters***

The Occupational Safety and Health Act Chapter 88:08 of the Laws of Trinidad and Tobago (“OSH”) establishes the duty of an employer to ensure, so far as reasonably practicable, the safety, health and welfare at work of all of its employees. OSH stipulates general provisions for the development of policy guidelines, emergency plans and risk assessments, as well as more specific provisions for, among other things, maintenance and operation of plant and equipment, handling, storage and identification of hazardous materials, and access to, egress from and cleanliness of work sites. TGU has instituted the necessary policies and guidelines to be in material compliance with OSH, such as annual risk assessments, annual surveillance of employee health, a compliance certificate from the fire department, incident reporting, a work management system, safe systems of work, a safety committee with employee involvement and emergency response plans.

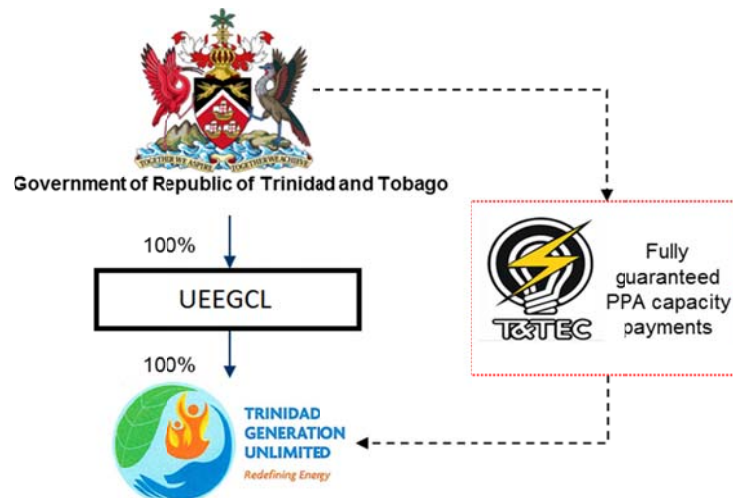
## BUSINESS

### Overview of our Company

We own and operate a 720 MW net capacity combined-cycle gas-fired power plant located in the Union Industrial Estate at Vessigny Village, La Brea in the Republic of Trinidad and Tobago, which currently is the largest power generation plant in Trinidad and Tobago in terms of supplied electricity, and the second largest power generation plant in Trinidad and Tobago in terms of installed capacity and contracted capacity, according to T&TEC. Upon commissioning of the Plant following Phase 1 construction completion in August 2011, we began operations with an installed capacity of 225 MW. When we commissioned Phase 2 of the Plant in December 2012, we increased our installed capacity to 720 MW and Trinidad's power generation capacity by approximately 50%, representing a major contribution to the energy security of the country while concurrently improving the fuel efficiency of the entire grid. As of mid-January 2016, the Plant accounted for 34% of all power generation in Trinidad and Tobago, as measured by installed capacity, and currently delivers approximately 45% of the country's average demand, as measured by the amount of energy actually purchased by T&TEC. For the year ended December 31, 2015, we generated total comprehensive income of U.S.\$61,366 thousand and Adjusted EBITDA of U.S.\$86,980 thousand, and for the six-months ended June 30, 2016, we generated total comprehensive income of U.S.\$29,894 thousand and Adjusted EBITDA of U.S.\$41,005 thousand. For reconciliations of our non-IFRS financial measures to their closest comparable IFRS measures, see "*Summary Financial and Operating Data*".

The Plant was designed and built pursuant to the EPC Contract by MAN Ferrostaal, the engineering and construction subsidiary of MAN AG, a world-renowned service provider in the power sector with operations in over 40 countries. The Plant is a state-of-the-art fully operational, combined-cycle, gas-fired plant which operates with proven technology utilizing reputable OEMs. We believe the Plant is the lowest all-in cost and most efficient electricity generation facility in Trinidad and Tobago, and a significant strategic asset for Trinidad and Tobago and its economy.

The below graphic is a simplified representation of our ownership structure:



Source: TGU

## Our Power Purchase Agreement

Substantially all of our revenues are derived from capacity payments we receive under a long-term (30-year), U.S. Dollar-denominated, PPA, including a tolling arrangement, with our sole offtaker, T&TEC, a 100% government-owned enterprise responsible for the operation of the country's power transmission and distribution networks. T&TEC is also the sole governmental body overseeing the allocation of contracted capacity among power generators in Trinidad and Tobago. As further described below, our PPA includes many features that we believe allow us to benefit from stable, long-term cash flows and low operational risk, including the following:

- Our PPA includes a tolling arrangement whereby the risk of gas supply and gas risk are borne by the offtaker T&TEC;
- the term of the PPA is 30 years, with a remaining term of 25 years;
- our sole offtaker, T&TEC, is a 100% government-owned enterprise whose PPA payment obligations under the PPA are unconditionally guaranteed by the GoRTT;
- substantially all of our revenues (99.5% in 2015) are derived from capacity payments under the PPA which are (i) only conditioned on the Plant reaching a minimum availability rate, irrespective of whether the Plant is required to dispatch power to T&TEC or the Trinidad power grid, and (ii) required to continue to be made by T&TEC during certain force majeure events and upon default by TGU under the PPA (unless T&TEC terminates the PPA upon such a default);
- under our PPA we are not subject to spot market or other price fluctuation risk, and are only subject to minimal exchange rate fluctuation risk; and
- the PPA ensures most disruptions due to unavailability of fuel or water supply will not negatively impact our capacity payments because of our tolling arrangement.

The term of the PPA is until July 31, 2041, which term may be renewed for an agreed period with mutual consent of both parties. Under the PPA, T&TEC is obligated to make capacity payments for up to 93% of the contracted capacity (720 MW) on an annual basis, regardless of whether T&TEC takes full delivery of any power generated by the Plant, and even in the event of the occurrence of certain force majeure events, regulatory changes or certain TGU defaults (unless T&TEC terminates the PPA upon such a default). The Plant has been able to maintain average annual availability above 93% in four out of the past five operating years, falling marginally below 93% annual availability only in 2013, which was the post-commissioning year. T&TEC's payment obligations under the PPA are fully and unconditionally guaranteed by GoRTT. The PPA is denominated in U.S. Dollars which provides us with a natural hedge as currently 100% of our financial debt and, as of June 30, 2016, substantially all of our operating and maintenance costs are denominated or paid in U.S. Dollars. The PPA allows for TGU to invoice up to a maximum of 95% of the capacity payments due from T&TEC in U.S. Dollars, which we have consistently done since inception. For the year ended December 31, 2015, we invoiced 5% of our revenues in TT\$ in order to have sufficient TT\$ to cover certain local-currency denominated costs such as VAT, salaries and locally obtained material and services. The percentage of revenues that we invoice in TT\$ may be increased at our option to the extent that we need additional TT\$ to cover any increased TT Dollar-denominated costs. The PPA is also structured as a tolling arrangement in that T&TEC is responsible for supplying fuel to our Plant in the form of natural gas. See *"The Republic of Trinidad and Tobago—Natural Gas"* and *"—Material Documents Relating to the Plant—PPA and Related Guarantee"*.

Furthermore, the PPA ensures that we will continue to receive capacity payments from T&TEC, as long as capacity would have been made available but for the disruption of our fuel supply. Similarly, T&TEC must continue to make capacity payments to us even if we are unable to reach the required availability rates under the PPA due to an insufficient water supply, as long as capacity would have been made available but for the disruption of our water supply. See *"Business—Material Documents Relating to the Plant—PPA and Related Guarantee"* for a summary of the terms of the PPA and of the Guarantee.

Our success and financial strength are closely tied to the economic conditions in Trinidad and Tobago. Additionally, due to our relatively high efficiency compared to the other major power suppliers in the country, we contribute to T&TEC's success as the country's main power distributor. T&TEC, which is wholly owned by the GoRTT, is an integrated power company primarily focused on power transmission and distribution, and is the sole retailer of electricity in Trinidad and Tobago. Trinidad and Tobago has a sovereign investment grade credit rating from both Moody's (Baa3) and S&P (A-), moderate debt levels (8.8% external debt to GDP as of September 30, 2015), one of the highest GNI per capita in Latin America and one of the highest per capita incomes in Latin America and the Caribbean. In addition, Trinidad and Tobago attracts considerable foreign direct investment, particularly in the energy sector. The GoRTT is committed to meeting the increased demand for electric power in the country, and we believe will continue to support key participants in the sector as part of its policies and strategy. See "*The Republic of Trinidad and Tobago*" for more information about the GoRTT.

## Competitive Strengths

We believe our competitive strengths include the following:

### *State of the Art, Low-Cost, Efficient and Reliable Plant*

The Plant utilizes proven, efficient combined-cycle technology that allows us to produce the lowest all in cost of electricity in Trinidad and Tobago. It is managed by a capable, experienced staff at all levels of the organization, many with several years of experience in power generation and heavy industry. We have an inventory with ample spare parts to achieve an average of 93% availability and minimize downtime during maintenance. Furthermore, the Plant is the most efficient thermal generation facility in Trinidad and Tobago, as measured by its heat rate, and it has been operating for more than five years and is therefore no longer subject to construction risk. While as of mid-January, 2016 we have only 34% of Trinidad and Tobago's installed capacity, we have demonstrated our efficiency and competitiveness by being dispatched at loads such that we currently supply almost 45% of the country's electrical power demand.

The tables below illustrate TGU's efficiency compared to system average efficiency in the Trinidad and Tobago market for the period from January through August 2016:

TGU Efficiency		
Date	Heat Rate (kJ/kWh)	Thermal Efficiency
Jan-16	9,900	36.4%
Feb-16	9,256	38.9%
Mar-16	8,845	40.7%
Apr-16	8,621	41.8%
May-16	8,660	41.6%
Jun-16	8,718	41.3%
Jul-16	8,536	42.1%
Aug-16	8,386	42.9%

System Average Efficiency		
Date	Heat Rate (kJ/kWh)	Thermal Efficiency
Jan-16	12,529	28.7%
Feb-16	12,058	29.9%
Mar-16	11,982	30.0%
Apr-16	11,835	30.4%
May-16	11,510	31.3%
Jun-16	11,731	30.7%
Jul-16	11,194	32.2%
Aug-16	11,279	31.9%

Source: T&TEC, compiled by TGU

### *Highly Predictable Revenues from Long-Term PPA with a Tolling Arrangement and Stable Capacity Payments*

We generate revenues pursuant to a 30-year PPA, including a tolling arrangement, with T&TEC, a state-owned public entity responsible for the design, construction, operation and maintenance of the country's electrical transmission and distribution network, with a remaining term of 25 years. The PPA's payment mechanism enables us to generate highly predictable revenues and cash flows: T&TEC is required to make capacity payments for all capacity made available by TGU up to 93% of full capacity on an annualized basis even in the event that T&TEC does not take full delivery of such capacity, if there are certain force majeure events affecting T&TEC or if there is a regulatory force majeure event affecting TGU (including a change in law). In addition, all capacity payments by T&TEC to us under the PPA are fully guaranteed by the GoRTT. The payment structure of the PPA and the tolling

arrangement, combined with the fact that the revenue under PPA is entirely denominated in U.S. Dollars, protect us from both spot market volatility and from exposure to exchange rate fluctuations.

### ***Strategically Important Asset to Trinidad and Tobago Supported by Strong Connection to the GoRTT***

We are 100% indirectly owned by the GoRTT through the holding company UEEGCL, creating a close business relationship between us and the GoRTT. As described above, GoRTT has provided a guaranty of all payment obligations of T&TEC under the PPA. Given that as of mid-January 2016, the Plant represents 34% of the country's power generation, as measured by installed capacity, and currently delivers approximately 45% of the country's average demand due to its efficiency, coupled with the expected retirement of 691 MW of power generation in Trinidad and Tobago in the near future, we believe that the Plant is of strategic importance to the development of the country as it will supply a substantial portion of the country's energy demand for decades into the future. For more information on GoRTT, see "*The Republic of Trinidad and Tobago*".

### ***Access to Strong Natural Gas Reserves, Supported by Robust Contractual Protection in Case of Fuel Shortage***

Our PPA is structured as a tolling arrangement in that T&TEC, the Buyer, is responsible for supplying natural gas to the Plant. Even if our fuel supply is disrupted at any time, the PPA provides that we will continue to receive capacity payments from T&TEC as long as capacity would have been made available but for the disruption of our fuel supply. Similarly, T&TEC must continue to make capacity payments to us even if we are unable to supply capacity due to an insufficient water supply, as long as capacity would have been made available but for the disruption of our water supply, subject to some force majeure limitations. As such, our PPA reduces our susceptibility to shortages of fuel availability, gas price fluctuations or to disruptions of our water supply. In addition, Trinidad and Tobago has estimated natural gas reserves of 11.5 trillion cubic feet, with an expected life of eight years as of 2014 and, under the GoRTT's natural gas policies, in the event that there are curtailments of gas supply, the power sector, including the Plant, receives priority for delivery of natural gas.

### ***Supportive Macroeconomic Environment***

Trinidad and Tobago is recognized as a safe and stable jurisdiction for international business. As of the date of this offering, the country has an investment grade credit rating by both Moody's (Baa3) and S&P (A-) and moderate debt levels (8.8% external debt to GDP as of September 30, 2015). The GoRTT is committed to meeting the increased demand for electric power in the country, and therefore continues to support key participants in the sector. Trinidad and Tobago's strategy for generating growth and sustainability is to shift from dependence on hydrocarbon resources to an emphasis on business development through innovation and competitiveness, human capital development that is aligned to labor market needs and diversification of the economy. Consequently, despite the recent weakness of the energy sector, Trinidad and Tobago continues to benefit from its diversified economy, due to its strong services sector which represents 61% of the country's GDP. This policy relies on providing a steady and affordable supply of efficient power to the country, and we believe that TGU will continue to be an important source of that efficient power.

### ***Business Strategy***

Our objective is to operate our power generation business according to world-class performance standards and best practices. We believe that our business model is comparable to that of top class independent power producers in terms of our management and operating systems, our organizational structure and human resources. In addition, we have a significant focus on ensuring the safety and reliability of our operating assets and systems. We believe this strategy will enable us to maintain a strong and sustainable operating and financial performance and achieve long-term success in our business and industry.

To realize our strategy, we focus on the following aspects of our business:

### ***Achieving Optimal Plant Availability through Operational Best Practices***

Substantially all of our revenues are derived from capacity payments we receive under the PPA. We intend to continue focusing on improving our operating margins by maintaining a high level of operational efficiency and reliability. To that end, we adhere to a rigorous, proactive reliability-centered maintenance management program, achieving a 70/30 ratio of preventative maintenance to corrective maintenance. We are able to allocate up to 5% of our capacity to programmed outages with an additional 2% buffer for forced outages. By keeping key capital and reliability replacement parts, such as a fully bladed gas turbine compressor rotor, on premises, we are able to reduce turnaround time in the event of an unexpected compressor failure, which is our longest lead-time risk relating to the gas turbine.

Furthermore, we utilize key suppliers and knowledge bases locally and internationally to ensure we have the right resources to support our operation and maintenance activities. For example, the PSA, our long-term maintenance contract with GE, covers planned and unplanned maintenance and additional work. In addition, to ensure asset integrity, we keep up to date with fleet issues and target the right operations and maintenance processes utilizing the most successful standard operating practices and established preventive and predictive maintenance techniques.

### ***Maintaining a High Performance Culture***

TGU is staffed with a highly trained group of employees focusing on best practices in technical, process-related, safety and business competencies. Specialized services are outsourced as necessary to reliable and reputable providers. Our robust recruitment policy and human resource processes are designed to attract and retain the best talent in the country's power industry. For our staff, we focus on succession planning to ensure the continued success of our business. We maintain our standards by continuous training and develop our staff to keep up to date with relevant technology and business development. We have an engaging work environment supported by a team-oriented culture working towards a shared vision for excellence that is sustained by using appropriate reward and performance management systems.

Our performance metrics are comparable to those of publicly available information of other thermal generation units in the region operated by leading international power companies in terms of availability and heat rate.

### ***Maintaining a Constructive Business Relationship with the GoRTT and T&TEC***

We intend to continue to maintain and to further develop a constructive business relationship with the GoRTT and T&TEC, actively cooperating with them in seeking solutions to the various challenges of the sector and, through our active membership in industry associations and consultation groups, participating in the development of sound regulatory frameworks.

### ***Fostering Corporate Social Responsibility***

We have a strong community social responsibility (CSR) program, through which we build mutually beneficial relationships with our community primarily in the area of education, training and development focusing on youth. We offer, among other initiatives, computer training as well as technical and vocational training programs. Additionally, we have provided school supplies for underprivileged children and have arranged health screening programs for members of the community including community schools. We also support the diversity of our community by supporting them in their respective cultural celebrations.

## History

In 2006, following the award to AES of the contract to build the Plant, the GoRTT agreed to engage in a joint venture with AES for the construction and commissioning of the Plant at a budgeted cost, excluding interest during financing, of approximately U.S.\$739,000 thousand. At that time AES was one of the world's largest independent power producers. At the inception of the joint venture, the capital structure of TGU was shared in the proportion of 60% ownership by AES and 40% ownership by UEEGCL, an entity formed to hold the GoRTT's shares in TGU. Due to the impact of the global financial crisis on AES's ability to meet its required contribution to equity in TGU, the capital structure was changed in 2009 such that UEEGCL's ownership interest increased to 90.07%, with the remaining 9.93% held by AES, as the GoRTT continued to finance the construction through cash advances on the understanding that these would be repaid when the Company was in a position to raise the required financing as market conditions became more favorable. In 2013, UEEGCL purchased AES's remaining 9.93% minority interest, resulting in the current ownership structure, with UEEGCL holding 100% of our shares. In March 2014, the Ministry of Finance decided that UEEGCL's capital investment in the Company would be 75% debt and 25% equity effective July 31, 2013. As a consequence, 75% of the capital contributions advanced by the GoRTT through UEEGCL of U.S.\$568,023 thousand was included in UEEGCL's balance owed as of December 31, 2013 and was considered a liability to be repaid with the proceeds of a short-term loan. As of June 30, 2016, the amount of this liability owed to UEEGCL was U.S.\$228,023 thousand. See *"Use of Proceeds"*.

The Plant was designed and built by MAN Ferrostaal of Germany, the engineering and construction subsidiary of MAN AG, a world-renowned service provider with operations in over 40 countries, pursuant to the EPC Contract. TGU's partner AES reviewed and approved the design of the Plant. The major cost component was the EPC Contract (consisting of an offshore supply contract and onshore construction contract) in the amount of U.S.\$708,000 thousand executed by MAN Ferrostaal and managed by TGU. The Plant is a state of the art fully operational combined cycle gas fired plant operating with proven technology utilizing reputable OEMs, and constitutes the lowest all in cost electricity generation facility in Trinidad and Tobago.

The Plant was commissioned in three phases in accordance with the EPC Contract and has been supplying the Trinidad and Tobago national grid with power since August 2011. Since the commissioning of Phase 1A in 2011, the Plant has achieved in excess of 130,000 fired hours with an average equivalent availability of over 94%. Phase 1 of the project, with a generation capacity of 450 MW, was put into commercial operations in 2011, while Phase 2, with a capacity of 270 MW was put into commercial operations in December of 2012. As a result, the Plant is 100% operational and no longer subject to a construction risk or initial performance benchmarks. The Plant has been able to maintain an average annual availability above 93% in four out of the past five operating years, falling marginally below 93% annual availability in 2013 which was the post-commissioning year, and even when annual availability was below 93%, we still received capacity payments for the percentage achieved, less liquidated damages.

In 2009, when TGU entered into the 30-year PPA, it was for 720 MW at 93% annual availability with two parties, T&TEC and Alutrint, the Buyers, who had joint and several obligations under the PPA. The Alutrint plant was an aluminum project based in La Brea that was being developed by the GoRTT. This project was publicly canceled by the GoRTT in 2010 due, in part, to environmental concerns. During the period from mid-2012 through 2015, there was a dispute regarding the respective payment obligations of T&TEC and Alutrint under the PPA, despite the joint and several obligations of the Buyers under the PPA. During this period, T&TEC paid monthly payments of approximately 50% of the amounts due to TGU under the PPA, while acknowledging the debt for the other 50%. Additionally, during this period, T&TEC and TGU were actively in discussions with the Ministry of Finance and the Ministry of Energy Industries regarding the treatment of the cancellation of the Alutrint plant under the PPA. Following those discussions, it was resolved and agreed that the joint and several obligation under the PPA meant that the cancellation of the Alutrint plant did not affect T&TEC's payment obligations for the full amount due under the PPA or, consequently, TGU's rights to receive full payment. In August 2015, T&TEC paid U.S.\$252,624 thousand representing the full amount of the overdue payments plus accrued interest. Since then, all payments have been made on time for amounts billed in accordance with the provisions of the PPA. See *"Risk Factors—Risks Related to Our Business—We are dependent on a single offtaker to make capacity payments and purchase all electricity produced by the Plant pursuant to the PPA"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations —T&TEC Delayed Payments"*.

With the cancellation of the Alutrint plant, T&TEC is now the only entity able to accept power from the Plant, and the only purchaser of power from TGU. At the time of such cancellation, T&TEC's transmission infrastructure did not allow the entire TGU output of 720 MW to be distributed to the load centers. T&TEC has since made significant efforts to fully utilize the availability of the Plant's low-cost and efficient production of power, placing significant focus on developing the transmission infrastructure needed to allow the entire TGU output to be placed on the national grid. Initially the construction of a new substation (Gandhi Substation) in 2014 was done specifically to support the transmission of remaining capacity of the Plant. The first transformer at the Gandhi Substation was commissioned in March 2015, which increased the total capacity that can be supplied from the Plant to 570 MW under normal dispatch conditions and 720 MW under emergency conditions according to T&TEC. The second transformer at the Gandhi Substation is anticipated to be completed in December 2016, which will allow the Plant to supply the full 720MW of capacity to the grid on a continuous basis. T&TEC is also reviewing its existing PPAs with other suppliers as they expire, with a view to replacing capacity contracted from older, less efficient and less reliable simple cycle plants with capacity from the more reliable and efficient combined cycle TGU plant. In January 2016, for example, T&TEC reduced PowerGen's contracted capacity from 819 MW to 624 MW when it renewed PowerGen's expiring PPA. This reduction was concurrent with the closure of PowerGen's Port of Spain power plant which had an installed capacity of 308 MW. We believe that T&TEC's development work in both southern and northern parts of the country has enabled TGU to deliver significantly more power into T&TEC's network. See "*Industry and Regulation*".

## **Operations**

### ***Construction and Commissioning***

The Plant was designed and built by MAN Ferrostaal, the engineering and construction subsidiary of MAN AG, the engineering and construction subsidiary of MAN AG, a world-renowned service provider with operations in over 40 countries, pursuant to the EPC Contract. MAN Ferrostaal is a top tier EPC contractor with significant experience in building gas and steam power plants. We also have a PSA with GE, under which all major maintenance work has been done by GE on a turnkey basis. While GE is the preferred supplier under the contract, if there are delays of the supply from GE, TGU can source the parts from a third party to minimize impact on Plant availability. See "*Material Documents Relating to the Plant—Parts and Services Agreement*".

We have entered into industry-standard project agreements and arrangements, which we believe adequately protect our interests, for purposes of construction, maintenance and servicing the project with world leaders in power generation development, and we have retained highly trained personnel to manage the Plant in a safe, efficient and environmentally friendly manner. See "*Material Documents Relating to the Plant*".

The Plant was commissioned in three phases in accordance with the EPC Contract and has been supplying the Trinidad and Tobago national grid with power since the commissioning of Phase IA in 2011. The Plant has achieved in excess of 130,000 fired hours with an average equivalent availability of over 94%, which is higher than the industry average of 88% in North America for this type of configuration. The Plant has been able to maintain average annual availability above 93% in four out of the past five operating years, and even when availability fell marginally below 93% in 2013, which was still the post-commissioning year, we still received capacity payments for the percentage achieved, less liquidated damages. We always target approximately 93% availability annually because there are limited incentives for generating capacity in excess of 93% under the terms of the PPA. See "*Availability and Capacity*".

## ***Power Plant***

The Plant is located on approximately 40 acres of land at the Union Industrial Estate in Vessigny Village, La Brea, on the southwestern side of the island of Trinidad. We lease the site from the NEC pursuant to a lease agreement effective until July 31, 2041. The site is located in an industrial development zone.

The Plant is equipped with six GE 7EA combustion turbine generators that operate on a combined-cycle mode with two STGs, providing highly reliable and consistent operating performance. GE has been producing STGs since 1901 and is responsible for producing over 530 GW of global STG capacity and more than 5,600 units installed or on order. The GE 7EA combustion turbine is considered a proven and reliable technology currently employed in both simple and combined cycle configurations. It has a long operating history and is efficient for intermediate and baseload operations. These units are often found in utility, independent power producer, refinery and process industry cogeneration applications as a result of their high reliability and ease of maintenance.

The Plant is also equipped with six Heat Recover Steam Generators (“HRSGs”), which enable the Plant to capture exhaust heat from its combustion turbine generators and deliver it to the STGs to efficiently produce more power. The Plant’s HRSGs are two-pressure types that have outlet pipes connected to common high pressure and low pressure steam headers. The HRSGs are equipped with duct burners for duct firing capability, which can increase the Plant’s capacity by approximately 7 MW per HRSG for a total capacity increase of 42 MW. Exhaust is routed through diverter valves to allow for open cycle operation in the event that its associated HRSG is out of service. Steam from the HRSGs is supplied to a common main steam header, allowing any of the six HRSGs to supply steam to any steam turbine. The Plant is equipped with GE SC5 non-reheat, condensing steam turbines. The turbines are single-casing, single-flow, axial exhaust machines, designed to operate under sliding pressure control for full and part load conditions and throttle control for load conditions below 50%.

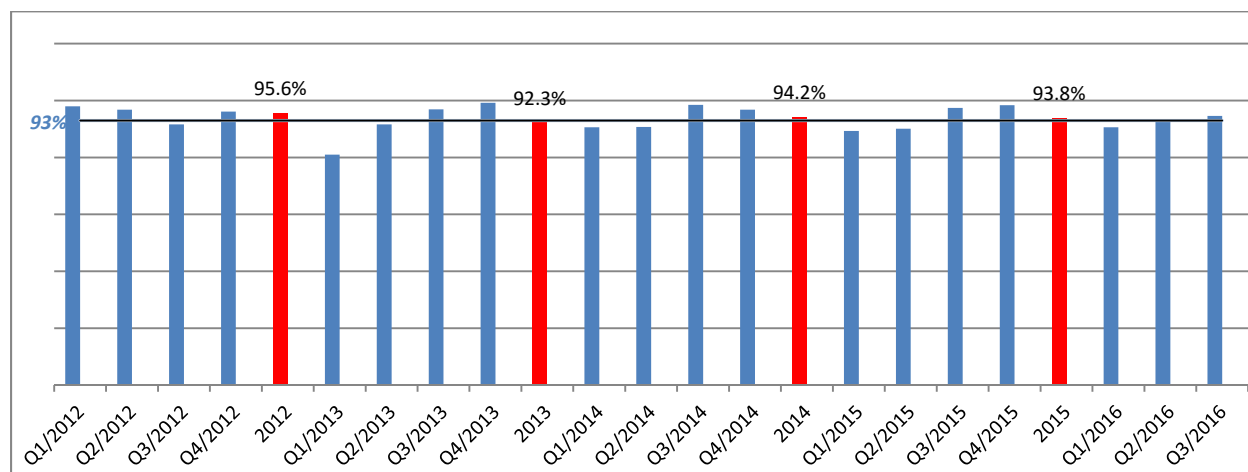
Due to the fact that the Plant was initially designed to support and supply power to an aluminum smelter for which continuous supply power is critical, the Plant features many “redundant systems” to ensure a high degree of reliability and integrity of the Plant, as well as “Black Start” capabilities that enable the Plant to start up independently of a power grid during a black out. We believe the Plant is the most efficient power generation plant in Trinidad, particularly in comparison to the traditional gas turbine or steam turbine power stations that exist in the country: at full load, compared to a simple-cycle power generation plant of equivalent installed capacity, the Plant would save enough natural gas to supply the ammonia plant located at Point Lisas, according to GoRTT estimates.

We believe that all of our production facilities are in good operating condition. We believe that we have satisfactory title to our generation plant in accordance with standards generally acceptable in the electric power industry. For accounting purposes and in accordance with IAS 17, the Plant is accounted for as a finance lease. As of June 30, 2016, the carrying value of the net investment in the leased asset (lease receivable) was U.S.\$731,702 thousand.

## ***Availability and Capacity***

We target our maintenance schedule to achieve a cumulative annual availability of 93% at the end of each year, particularly because there are limited incentives for generating capacity in excess of 93% under the terms of our PPA, leaving the other 7% for outages (a maximum of 5% for planned outages and a maximum of 2% for forced outages).

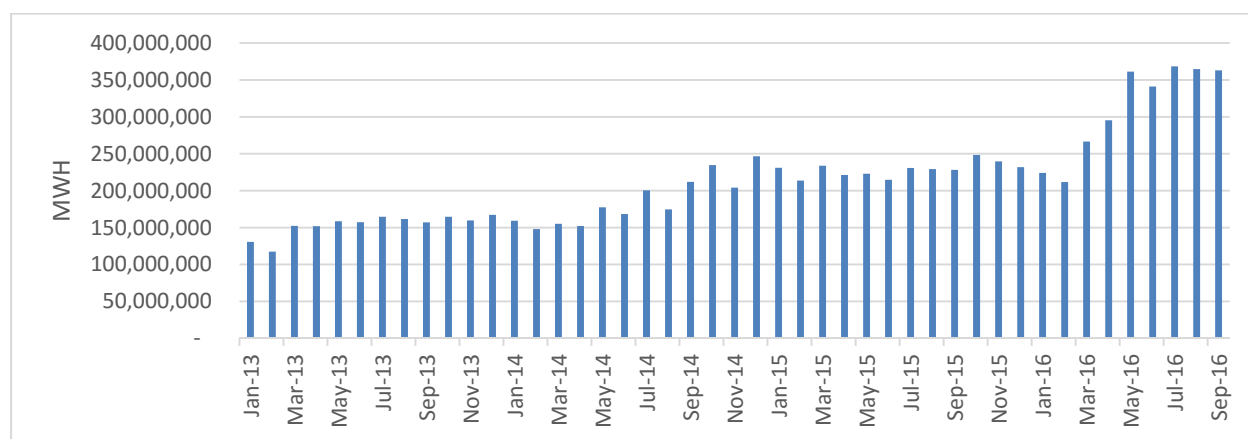
The chart below shows the quarterly and annual availability of the Plant from January 1, 2012 to September 30, 2016.



Source: TGU

The table below shows how much electricity the Plant actually generated on a bi-monthly basis from January 2013 to September 2016. The increase in energy generated in 2016 reflects the additional energy being taken by T&TEC following transmission upgrades.

TGU Plant Historical Generation



Source: TGU

The Plant is interconnected to T&TEC's Union Estate Substation via three 220kV circuits. T&TEC's Union Estate Substation is connected to the Brechin Castle substation and the Gandhi Village Substation by two 220 kV lines. Although we have interconnection capability to deliver the full capacity of the Plant, restrictions on T&TEC's transmission system have prevented the Plant from operating at full load. T&TEC has continued to pay us the full amount of capacity payments as required under the PPA, and therefore, the capacity restrictions on the T&TEC grid have not impacted our revenues. T&TEC has placed significant focus on developing the transmission infrastructure needed to allow the entire TGU output to be placed on the national grid by, for example, beginning the construction of a new substation (Gandhi Substation) in 2014, initially for the specific purpose of supporting the transmission of the remaining capacity of the Plant. The first transformer at the Gandhi Substation was commissioned in March 2015, which increased the total capacity that can be supplied from the Plant to a normal dispatch limit of approximately 570 MW and an emergency dispatch limit of 720 MW. The second transformer at

the Gandhi Substation is anticipated to be commissioned in December 2016, which will allow us to supply the full 720MW of capacity to the grid on a continuous basis.

### ***Fuel Supply***

Under the PPA, T&TEC is responsible for supplying the natural gas during the term of the contract. Any failure by T&TEC to supply the gas will not excuse T&TEC from its obligation to pay the capacity component of the contract price under the PPA. See *“The Republic of Trinidad and Tobago—Natural Gas”* and *“Risk Factors—Risks Related to Trinidad and Tobago—Trinidad and Tobago’s economy is significantly dependent on natural gas and oil and may not grow at historical rates or may contract in the future, which could have a material adverse effect on its public finances and on the market price of the notes”*. The NGC transports natural gas from its transmission system to the Plant’s delivery site through an approximately 115 foot long, 16 inch diameter lateral. The interconnection consists of a metering, filtration and pressure regulation system, with the gas delivery point at the interface flange between the Plant and NGC’s pipeline. The terms of the PPA provide that each of the parties thereto are jointly responsible for meter readings each month.

Under the NGC bylaws, “royalty gas” is required to always be available for power production. Due to this availability requirement, we have a priority claim over the gas that is supplied by T&TEC. We are investigating alternative sources for their fuel supply in order to minimize downtime in the event that T&TEC is unable to supply natural gas. TGU is currently considering a backup source for fuel in the case of a true emergency lack of natural gas. Ultimately, however, T&TEC is responsible for supplying the gas, and if it fails to do so, it would remain obligated to pay the capacity component of the Contract Price. See *“—Material Documents Relating to the Plant—PPA and Related Guarantee”*.

Once utilization of the Plant increases when both of the transformers at the Gandhi Substation are commissioned allowing T&TEC to offtake more power, variable costs will apply. For example, it is possible there will be an increase in maintenance costs when the Plant is generating additional power. We have budgeted for increased maintenance costs due to increased utilization. See *“—Maintenance and Spare Parts”*.

### ***Maintenance and Spare Parts***

We have a proactive maintenance management program, demonstrated by the ratio of preventive and predictive maintenance work orders to corrective maintenance work orders of approximately 70% preventive/predictive maintenance to 30% corrective maintenance over the last three years. We target our maintenance schedule to achieve a cumulative availability of 93% at the end of each year, leaving the other 7% for outages (a maximum of 5% for planned outages and a maximum of 2% for forced outages) over the year. Additionally, we plan for anticipated major maintenance every five years and have a finance policy in place managing our cash in expectation of such expenses. For the six month periods ended June 30, 2016 and 2015, our maintenance costs were U.S.\$8,041 thousand and U.S.\$6,903 thousand, respectively. For the years ended December 31, 2015, 2014 and 2013, our maintenance costs were U.S.\$11,557 thousand, U.S.\$5,247 thousand and U.S.\$5,914 thousand, respectively.

Set forth below is a breakdown of our maintenance costs, the amount capitalized and the amount expensed, for the periods presented.

	<b>Six Month Period Ended</b>		<b>Year Ended December 31,</b>		
	<b>June 30,</b>		<b>2015 2014 2013</b>		
	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<i>(in thousands of U.S. Dollars)</i>				
Maintenance Cost .....	8,041	6,903	11,557	5,247	5,914
Amount Capitalized.....	2,400	2,628	2,642	-	2,829
Amount Expensed.....	5,641	4,275	8,915	5,247	3,085

We believe our maintenance practices are well defined and generally align with industry best practices. Routine maintenance is adequately planned for and preventive measures are applied reasonably. Our forced outage factors have been comparable to industry average.

The table below shows our plant performance metrics for the five years ended December 31, 2011 through 2015, and for the nine months ended September 30, 2016.

Year	Equivalent Availability	Forced Outage Factor	Planned Outage Factor	Maintenance Outage Factor
2011 .....	95.77	2.60	0.00	1.63
2012 .....	95.62	0.95	2.88	0.49
2013 .....	92.25	4.01	0.87	2.88
2014 .....	94.20	0.80	3.94	1.06
2015 .....	93.74	4.73	1.59	0.34
2016 (through September 30).....	92.62	1.83	4.73	0.82

The below table demonstrates monthly availability and outages percentages from March 2015 to June 2016:

	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16
Actual Availability (%)	87.89%	88.87%	84.90%	96.61%	99.26%	96.34%	96.44%	98.45%	99.04%	97.81%	89.28%	92.60%	89.68%	89.41%	97.50%	91.32%
Forced Outage Factor (%)	11.46%	6.40%	12.17%	1.00%	0.74%	0.04%	1.49%	-	0.10%	1.09%	0.40%	4.38%	5.75%	0.70%	2.50%	1.05%
Maintenance Outage Factor (%)	0.64%	0.80%	1.37%	0.44%	-	-	-	-	0.14%	0.37%	0.34%	-	0.83%	-	-	5.72%
Planned Outage Factor (%)	-	3.93%	1.54%	1.95%	-	3.61%	2.07%	1.55%	0.72%	0.73%	9.98%	3.01%	3.74%	10.17%	-	1.91%
Water Supply Events (%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

As part of our maintenance program, we have regularly scheduled maintenance outages based on OEM recommendations. In addition, our PPA requires us to perform most of our planned maintenance in the period from January 1 to August 31 of the applicable year. Our projected availability for Q1 2016 was 88.15%, but the Plant achieved an availability of 90.59%, due to completion and planned outages occurring earlier than planned. In 2013, certain post-commissioning and punch list issues relating to equipment implementation that remained after the Plant was delivered to TGU by the EPC contractor in December 2012 resulted in negative performance, although, these issues were resolved by July 2013. Performance during April and May 2015 was negatively impacted due to a failure of the brush gear of our Plant's Steam Turbine 10 ("ST 10") generator resulting in the unit being offline from April 20 to May 23. The entire outage caused a loss of availability of 1.51%. We replaced the ST10 exciter brush gear with a part with a more reliable design, and the replacement part has functioned without the issue since June 2015. During our planned outage of ST 20 in 2016, ST 20's brush gear was proactively upgraded to the part with the new design used in ST 10.

We have a Parts and Services Agreement with GE, which gives GE the right to perform all services and supply all parts for the combustion turbines unless GE cannot supply the parts or services within the timeline required by us. See "*Material Documents Relating to the Plant—Parts and Services Agreement*". GE has performed all inspections on the units at the Plant since COD.

In addition to the above combustion turbine major maintenance events, all HRSGs have annual statutory inspections. During these inspections routine preventive maintenance ("PMs") procedures that require the units to be offline to conduct the test are completed on both the combustion turbines and electrical generators. In 2016 HRSG inspections indicated that internal pressure parts were in good condition and water chemistry was in good control. The fire sides of the HRSGs also appeared to be in good condition with no major issues noted. No major issues were noted in the annual outage reports for 2015.

In 2016, a transformer dissolved gas analysis and as well as electrical testing indicated that all eight Generator Step Up transformers are in good condition. Oil samples are taken on a six month basis, analysis is

performed locally in Trinidad, and the results are then sent to Doble Engineering for review and analysis for trending and recommendations. No issues were noted in the test results in 2016.

Additionally, we have purchased the first four stages of compressor stator blades for all six combustion turbines and plan to replace the stator blades at the next scheduled maintenance interval for each turbine as recommended by GE. The stator blades were replaced on GT 21 in 2015, GT11 in April 2016 and on GT12 in August 2016. We maintain key spare parts onsite as part of our inventory, avoiding risk of extended downtime primarily due to the long lead times associated with procurement and shipping given the Plant's geographic location. Additionally, in an effort to preserve integrity and continue effective maintenance of the asset, we recently purchased a bladed compressor rotor for U.S.\$2,500 thousand. Maintaining the extra rotor on-site will mitigate any future compressor incidents by significantly reducing turnaround time associated with repair of this major component. Additionally, three sets of combustion and two sets of hot gas path hardware are held as maintenance spares which will allow at least one complete set to be maintained onsite while the parts taken out of the units during an outage are refurbished.

### **Material Documents Relating to the Plant**

We have entered into a suite of industry-standard project agreements and arrangements that we believe are on terms that are favorable to TGU and that ensure the successful operation of the Plant and TGU's revenue stream.

The following are summaries of material terms of certain principal agreements related to the Plant. These summaries should not be considered to be full statements of the terms and provisions of such agreements. Accordingly, the following summaries are qualified in their entirety by reference to each agreement. Copies of the agreements described below are available for inspection as described herein. See "*Available Information*". Unless otherwise stated, any reference in this offering memorandum to any agreement means such agreement and all schedules, exhibits and attachments thereto as amended, supplemented or otherwise modified and in effect as of the date hereof. Any term capitalized but not defined herein shall have the meaning given to such term in the relevant agreement.

### ***PPA and Related Guarantee***

On September 15, 2009, TGU entered into a PPA for 720 MW with the Buyers. The PPA is structured as a tolling arrangement and obligates the Buyers to make payments for available capacity (as further described below) if the Buyers fail to supply natural gas to the facility. Pursuant to the PPA the Buyers, jointly and severally, agree to accept and pay for, and TGU agrees to provide, available capacity and electric energy on the terms of the PPA. Additionally, in 2009, the GoRTT executed the Guarantee in favor of TGU, guaranteeing the payment obligations of T&TEC under the PPA. See "*—The Guarantee by GoRTT*". With the cancellation of the Alutrint plant, T&TEC is now the only Buyer able to accept power from the Plant, and the only purchaser of power from TGU. Because the obligations of T&TEC and Alutrint under the PPA are joint and several, T&TEC is obligated to make payments for the full contracted availability, and the cancellation of the Alutrint plant has therefore not affected TGU's revenue stream, except as described in "*Management's Discussion And Analysis Of Financial Condition And Results Of Operations—Material Factors Affecting Our Results of Operations—T&TEC Delayed Payments Under the PPA*".

### ***Our Obligations under the PPA***

The PPA requires that we engineer, design, develop, construct, interconnect, complete, commission, test and take over the Plant in accordance with all applicable laws, governmental authorizations, technical specifications and prudent electric utility practices, such that the Plant is capable of achieving at least 95% of the Contracted Capacity (discussed below), subject to degradation. We are obligated to deliver to the Buyers at the Delivery Point all Capacity and Energy that the Plant produces. The PPA does not allow us to supply any portion of the Capacity to any entity that is not a Buyer. We are obligated to operate and maintain the Plant in accordance with certain operating procedures, prudent electric utility practices, the PPA and all applicable laws and governmental authorizations. The Energy that we deliver must meet specifications set forth in the PPA.

### ***Buyers' Obligations***

The Buyers are obligated to purchase and pay the Contract Price (as defined below) for all capacity made available and energy delivered by us, provided that the Buyers' obligation to purchase and pay for capacity is limited to the purchase of all Available Capacity (as defined below) up to a maximum of 720 MW. T&TEC has the right to dispatch the facility, subject to the provisions of the PPA, within its design limits, governmental authorizations and applicable law. T&TEC's dispatching centers will determine the appropriate level of dispatch subject to certain operating procedures.

### ***Payment Obligations***

The Buyers are jointly and severally obligated to pay us the Contract Price consisting of a Capacity Payment (as defined below) and an Energy Payment, each as described below. We believe the contractual integrity of T&TEC's payment obligations is strong, since the Buyers must pay the Capacity component of the Contract Price notwithstanding unavailability of Capacity or associated Energy in the following circumstances:

- (1) TGU's suspension of services due to a Buyer Event of Default (described below);
- (2) a force majeure event affecting the Buyers (except in respect of a T&TEC grid system force majeure event, where if such an event occurs and continues for 45 consecutive days, the Buyers shall only be liable for a capacity payment based on the lesser of the maximum dependable net capacity of the Plant (the "MDNC") and the sum of (a) 240 MW plus (b) the amount of Capacity that the T&TEC grid system is capable of accepting);
- (3) a Seller Relief Event (failure by Buyers to supply gas and a Water Supply Event, each discussed below and each a "Seller Relief Event");
- (4) a regulatory force majeure (discussed below);
- (5) a curtailment of acceptance of energy by T&TEC (including for emergency reasons); and
- (6) Alutrint's inability to accept and receive energy from the facility.

A "Water Supply Event" is a circumstance in which there is insufficient water supply available to the facility to allow it to commence or maintain its energy output at the Available Capacity that otherwise would be available, other than resulting from TGU's breach of the Water Supply Agreement (as defined below), TGU's failure to operate or maintain the facility's water intake facilities under its control in accordance with prudent electric utility practices or failure to utilize water stored on the site and an event that would constitute force majeure if such event had affected TGU, including a nationwide or generalized drought causing reduction in fresh water availability.

## Calculation of Capacity, and Capacity and Energy Payments

The below is a summary of the PPA's pricing formula:

### PPA formula overview

Capacity payments represent over 99% of total payments



- (1) Sum of average Available Capacity per shift divided by total number of shifts per month.  
(2) Partially indexed to US CPI  
(3) Billed monthly, with true up to T&TEC every quarter.

For every eight-hour shift, we submit a declaration of available capacity, which we calculate based on firm capacity available that does not exceed 720MW (the “Available Capacity”). If in any such shift, other than during a force majeure event, due to the fault or negligence of Buyers or a malfunction in the facility, actual capacity is less than 95% of the Available Capacity that we had declared, we are required to pay liquidated damages in the amount of US\$21,260 multiplied by the CPI multiplier for each occurrence, and in the time of such Misdeclaration, Available Capacity will equal the actual amount of energy delivered, expressed in kWh divided by the number of hours, or parts thereof, in the applicable period. A Misdeclaration can only be shown if T&TEC attempts to dispatch the amount of energy that we have declared as available and the Plant is unable to deliver at least 95% of such capacity.

The Buyers are obligated to make a monthly payment of the contract price (“Contract Price”), which consists of the Capacity Payment and the Energy Payment, as defined below. The monthly capacity payment (the “Capacity Payment”) equals the average Available Capacity for each month multiplied by the number of hours in such month, the capacity rate of U.S.\$0.01795 and an adjustment by 27% of CPI changes from a 2007 baseline CPI. If necessary, an adjustment will be made to the monthly Capacity Payment in the third month in each quarter of the year (relevant period) in the event that the year to date availability is greater than 93% of 720 MW. These adjustments are made to ensure that the Buyer does not pay TGU for availability greater than 93 % at the end of each relevant period. TGU is paid for capacity utilization above MDNC and energy deliveries when annual energy deliveries exceed a 93% capacity factor as part of the monthly excess capacity payment and annual excess capacity payment. Note, however, that to date these adjustments could not be made because T&TEC has not dispatched the Plant at full capacity (since the adjustments are based on energy delivery). The Buyers must make the Capacity Payment notwithstanding unavailability of capacity or associated energy from the facility in the circumstances listed above. See “—Buyers’ Obligations”.

The monthly energy payment (the “Energy Payment”) equals the total amount of energy delivered by TGU during the month multiplied by the energy rate of 0.00008 per kWh times the CPI multiplier (the ratio of previous month’s CPI<sub>m-1</sub> to CPI<sub>0</sub> (the base CPI)). The base CPI is the US consumer price index for December 2007.

As previously mentioned, the contracted capacity of the Plant is 720MW. At the beginning of operations, the Plant was tested in various configurations to confirm its ability to operate at full load, and an independent engineer confirmed that the Plant was capable of achieving 720 MW. The PPA requires that TGU conduct an MDNC test every contract year – the test of the facility that determines the maximum facility availability for the year, which shall not exceed 720MW. See “*Business—Material Documents Relating to the Plant—PPA and Related Guarantee—Calculation of Capacity, and Capacity and Energy Payments*”. Since the test requires TGU to deliver the entire Plant output of 720 MW, it has not been performed to date due to T&TEC’s inability to offtake the full capacity at once. Our expectation is that, upon completion of the second transformer at the Gandhi Substation, the

Plant will become able to supply the full 720 MW of capacity to the grid, and the test will be run. The PPA allows TGU to retest the MDNC once in a contract year in addition to the annual test, and allows TGU to retest once further if TGU demonstrates that the result of the first additional MDNC Test was materially and adversely affected by the failure or unexpectedly poor performance of a Unit during such additional MDNC Test, and at any time after material upgrades or restoration after partial or total destruction. See “*Risk Factors—Risks Related to Our Business—TGU has a limited operating history*”.

### ***Liquidated Damages***

For each 0.10 % that the facility availability (calculated as (a) total hours in the relevant period minus (b) the hours for which the Plant was operating at 0% due to an outage in such period (which does not include outage for Force Majeure) minus (c) hours derated for the Plant operating below the contracted capacity, such total divided by total hours in such period) is less than the Contract Availability (93% except as reduced to 91% in major maintenance years as declared in advance to T&TEC) in any contract year, we must pay US\$4,252 (multiplied by CPI Multiplier per contract year), up to a maximum US\$425,000 (multiplied by CPI Multiplier per contract year). We are also required to pay liquidated damages in the event of any Misdeclaration of Available Capacity, as set forth above.

### ***Invoicing***

We must render an invoice in USD to Buyers each month, and payment is due on a monthly basis, 30 days after TGU issues an invoice. Each invoice must be divided into a USD designated payment and a TT designated payment, provided that the USD portion shall not exceed 95%. For the year ended December 31, 2015, all of the invoices we issued reflected this 95%/5% split.

### ***Scheduled Maintenance and Outages***

We are obligated to submit a program of scheduled maintenance outage periods to the Buyers within 90 days before the commencement of each contract year for such year and the three years following. Unless the Buyers otherwise agree, the scheduled outages may only take place during off-peak season, which is January 1 to August 31. The Buyers have 30 business days to approve or propose an alternative schedule, and if they do not respond, the schedule we submit is deemed to be approved. To the extent that doing so is required by prudent electric utility practices, T&TEC may, upon prior written notice, require that we reschedule a scheduled outage to a later date.

### ***Fuel Supply***

Under the PPA, T&TEC is responsible for supplying the natural gas during the term of the PPA. Any failure by T&TEC to supply the gas in the required volumes and specifications will not excuse T&TEC from its obligation to pay the Capacity component of the Contract Price under the PPA. The terms of the PPA provide that each of the parties thereto are jointly responsible for gas meter readings each month.

Although this is a tolling arrangement and the Buyers are obligated to provide gas, we do have to convert the gas into electrical energy efficiently. The PPA requires us to maintain an account to record the amount of gas used to produce the energy being delivered (heat rate) above or below a maximum allowed gas use, and if at the end of any contract year, there is a positive balance in that account, we are required to pay to the Buyers, within 30 days of the end of such contract year, an amount equal to such balance multiplied by US\$2.13 per mmbtu multiplied by CPI. To date, we have not paid any amount in association with this requirement.

### ***Metering***

The Buyers are obligated to install and maintain the main meters, and we install and maintain the check meters. Energy delivered is registered in accordance with the main meters, but if the difference in the Energy delivered as calculated from a check meter is more than 1%, or the main meter fails to register Energy delivered or is otherwise deemed invalid, the Energy delivered shall be determined from the corresponding check meter or as otherwise agreed by the parties

### ***Events of Default***

#### ***TGU Events of Default***

The following events, unless resulting from the Buyers' fault or negligence or as a result of force majeure affecting us, constitute an event of default of ours under the PPA:

- (1) our failure to pay any amount due under the PPA that is not cured within 30 days;
- (2) our breach of any obligation materially affecting the Buyers' rights under the PPA that is not cured within 60 (or if we need additional time to cure, 90) days;
- (3) our bankruptcy, insolvency, liquidation or dissolution;
- (4) we repudiate the PPA;
- (5) we abandon the facility without proper cause for more than 15 consecutive days;
- (6) the facility is partially or totally destroyed and we have not complied with our reinstatement obligations; or
- (7) the average available capacity for each month in a period of six (6) consecutive months is less than 240 MW or in any period of 12 consecutive months is less than 60% of the highest MDNC recorded after the commercial operation date.

#### ***Buyer Events of Default***

The following events, unless resulting from our fault or negligence or as a result of force majeure, constitute an event of default caused by the Buyers under the PPA:

- (1) failure to pay us any amount due under the PPA that is not cured within 30 days;
- (2) Buyers' breach of any obligation materially affecting our rights or ability to perform our obligations that is not cured within 60 (or if the Buyers need additional time to cure, 90) days;
- (3) Either Buyer is dissolved;
- (4) Either Buyer assigns all or substantially all, or GoRTT assigns any substantial part, of its assets for the benefit of its creditors, or T&TEC assigns or transfers any of its obligations without our prior written consent;
- (5) Proceedings are commenced seeking the appointment of a trustee, receiver, custodian or liquidator or the like of either Buyer or GoRTT of all or any substantial part of their respective assets, and an order approving or ordering such appointment has been entered and remains in effect for 45 days;
- (6) Either Buyer repudiates the PPA;
- (7) Either the Guarantee or the Framework Agreement ceases to be in full force and effect, or any party thereto (other than ourselves) repudiates or materially breaches any obligation thereunder or fails to pay any amount due thereunder after a 30 day cure period; or
- (8) The whole or partial expropriation by GoRTT or any governmental authority of the facility, our shares or membership interests or any other material assets of the Plant in Trinidad and Tobago.

### *Consequences of Default – Step-In Rights*

In the event that (1) we abandon the facility for more than 15 consecutive days willfully or without proper cause, (2) the facility is partially or totally destroyed and we do not comply with our reinstatement obligations, or (3) the average available capacity for each month in a period of six consecutive months is less than 240MW, the Buyers, through T&TEC, have the right to step in and operate the facility. T&TEC must return operational responsibility to us as soon as practicable after the cure of the event causing their step-in, and the Buyers would fully indemnify us for any damage or loss caused to the facility arising out of T&TEC's failure to operate the facility in accordance with prudent electric utility practices and all applicable governmental authorizations. During such step-in period, the Buyers shall continue to pay the Contract Price with respect of any Capacity made available and associated Energy delivered during such period, after deducting their costs.

### *Termination*

Buyers have the right to terminate the PPA, upon 30 days' prior notice to us, if (a) a Seller Event of Default shall have occurred and is continuing or (b) as a result of a natural force majeure affecting us, we are prevented, or reasonably estimate that we will be prevented, from providing service from the facility at any capacity level for a period of 24 consecutive months.

We have the right to terminate the PPA, upon 30 days' prior notice to the Buyers, if a Buyer Event of Default shall have occurred and is continuing.

### *Liability and Indemnification*

#### *No Consequential Damages*

Each party to the PPA shall be liable for any immediate and direct damages and losses that it causes, subject to the limitations set forth below. Neither we nor the other parties shall be responsible for any indirect, consequential, incidental, punitive or exemplary damages or losses, including such damages arising in respect of loss of profit or other consequential financial or economic loss to either Buyer except for liquidated damages set forth in the PPA, as described below.

#### *Indemnification by Us*

We shall indemnify each Buyer from damages resulting from liabilities arising out of or in connection with personal injury or death of third parties or damage to, or destruction of, property of third parties caused by any act or omission by us pursuant to the PPA, except to the extent such injury or damage is attributable to the gross negligence or willful misconduct of the Buyers.

#### *Indemnification by Buyers*

The Buyers shall indemnify us from damages resulting from liabilities arising out of or in connection with personal injury or death of third parties or damage to, or destruction of, property of third parties caused by any act or omission of the Buyers pursuant to the PPA, except to the extent such injury or damage is attributable to our gross negligence or willful misconduct.

#### *Seller's Liability Limit*

Under the applicable terms of the PPA, our liability to the Buyers for any liquidated damages charged for the facility operating below contracted capacity or set forth above is limited to US\$425,200, multiplied by the CPI multiplier, in the aggregate in any contract year. There is no limitation on liquidated damages due for Misdeclarations or the use of gas in excess of the maximum amounts set forth in the PPA.

## ***Force Majeure***

### ***Exemption from Liability***

With some specific exceptions, no party shall be liable for the failure to comply with any of its obligations under the PPA to the extent arising as a result of force majeure. TGU must employ reasonable endeavors consistent with prudent electric utility practices to minimize any variable costs and expenses.

### ***Payment Obligations during Force Majeure – Certain Obligations to Continue Payments***

Buyers shall be obligated to continue paying the Capacity portion of the Contract Price in the following scenarios:

- (1) a force majeure event affecting the Buyers (except in respect of a T&TEC grid system force majeure event where if such an event occurs and continues for 45 consecutive days, the Buyers shall only be liable for a Capacity Payment based on the lesser of the MDNC or the sum of (a) 240 MW plus (b) the amount of capacity that the T&TEC grid system is capable of accepting);
- (2) a regulatory force majeure, which is defined as:
  - i. a material breach by a government authority (which would include T&TEC, as long as it continues to be a state enterprise, and GoRTT) of any project agreement (which includes the Water Supply Agreement, the Framework Agreement, and the Guarantee);
  - ii. any governmental authorization is revoked or amended other than as a result of a failure by us to comply with any condition of such authorization or fails to be granted after being properly filed; and
  - iii. any Change in Law (as defined below); and
- (3) a force majeure event that constitutes a Seller Relief Event or an event of regulatory force majeure

During a period of natural force majeure affecting us, Buyers are only obligated to make payment for any Capacity that we are able to make available.

### ***Termination of Agreements on Grounds of Force Majeure***

If as a result of a natural force majeure affecting us, we are prevented, or if we reasonably estimate that we will be prevented, from providing service from the facility at any capacity level for a period of 24 consecutive months, Buyers shall have the right to terminate the PPA.

### ***Change in Law***

The Buyers must continue paying the capacity portion of the Contract Price if a change in law delays or prevents us from performing our obligations under the PPA. In addition, under the PPA, the Buyers assume the risk of a change in law over a certain threshold amount (both costs and savings), and all change in law risk if TGU does not realize the tax savings agreed in the Framework Agreement (discussed below). If any change in law causes TGU to incur additional costs or savings or affects, positively or negatively, TGU's received revenue, and such difference is greater than the threshold of US\$4,252,000, such difference (including the threshold amount) is passed through to the Buyers, provided that (a) if TGU or its shareholders do not realize the tax savings that are agreed in the Framework Agreement, such cost increase is passed through to the Buyers without consideration for the threshold amount, and (b) any land or building tax over US\$2,000,000 shall be passed through to the Buyers, and if such land or building tax is under US\$1,800,000, the difference between such tax and US\$1,800,000 shall be passed through to the Buyers.

### ***Insurance***

We must obtain insurance policies that cover, among others, all risks builder's risk (including flood and earthquake), automobile liability, worker's compensation, all risks operational property, mechanical and electrical breakdown, business interruption and commercial general liability.

### ***Term***

The term of the PPA is until July 31, 2041, which term may be renewed for an agreed period with mutual consent of both parties.

### ***Waiver of Immunity***

Each of the Buyers irrevocably waives any rights to sovereign immunity.

### ***Buyers Jointly and Severally Liable***

The Buyers shall be jointly and severally liable to us for the performance of all of the Buyers' obligations under the PPA.

### ***Disputes***

The parties to the PPA have established a coordinating committee comprised of six members, whereby three are appointed by T&TEC and three by us, whose responsibilities include coordinating the scheduling, testing and operation of the facility as it relates to the T&TEC Grid System, as well as coordinating the approach to force majeure events, scheduled outages, operating procedures, safety matters, industrial relations and operation of the interconnection and transmission facilities, the facility and the T&TEC Grid System.

In the event of disputes not resolved by the coordinating committee, the parties shall attempt good faith negotiations. If that is unsuccessful, in respect of any technical disputes, any party may refer such technical dispute to an expert. Any dispute not otherwise resolved shall be exclusively and finally settled in arbitration. Such arbitration shall be subject to the rules of the International Chamber of Commerce, and the place of the arbitration shall be in London unless otherwise agreed.

### ***Governing Law***

The PPA is governed by and construed in accordance with the laws of Trinidad and Tobago.

### ***The Guarantee by GoRTT***

GoRTT entered into a Guarantee with us in September 2009, pursuant to which it agrees to guarantee all obligations (payment and otherwise) and liabilities of T&TEC. The Guarantee may be drawn in the event of any Buyer Event of Default) (see "*PPA and Related Guarantee—Events of Default—Buyer Events of Default*"). Any payment is due in the currency of the underlying obligation, and GoRTT must make such payment or perform the underlying obligations of T&TEC within 30 days of receiving notice from TGU that a Buyer Event of Default has occurred.

The Guarantee is a continuing guarantee, which will remain in effect until all of T&TEC's guaranteed obligations and liabilities have been finally and indefeasibly paid or discharged. Because the Guarantee is in respect of T&TEC's obligations and liabilities under the PPA and it is not directly related to performance under the notes, in the event that there is a Buyer Event of Default and TGU enforces on the Guarantee, GoRTT would be obligated to continue making scheduled payments over the life of the PPA, rather than paying a lump sum up front.

The Guarantee is governed by English law and any dispute would be settled in arbitration under the rules of the International Chamber of Commerce, with the arbitration seat in London. GoRTT expressly waives any claim to

sovereign immunity, and the Guarantee does not permit GoRTT to assign or transfer its rights or obligations under the Guarantee.

### ***Parts and Services Agreement***

On September 13, 2012, TGU entered into a Parts and Services Agreement (the “PSA”) with GE Energy Parts International LLC and General Electric International, Inc. (collectively, “GE Energy”), which expires on the earlier of (i) the completion of two major inspections for each of the covered units and (ii) September 13, 2028. The PSA covers six GE7121 EA combustion turbine generators and associated generators as well as the related GE Mark VIe Speedtronic TM Turbine Control System up to but excluding the terminal points. Pursuant to the PSA, TGU agrees to purchase, and GE Energy agrees to supply, all material parts and services necessary for the planned maintenance of the covered units listed above, and GE Energy agrees to perform all the maintenance services set forth in the PSA. The estimated value of the PSA is approximately U.S.\$27,800 thousand, which includes the price of initial spare parts, the first two hot gas path inspections for each unit and the first two major inspections for each unit.

Under the agreement, GE Energy warrants to TGU that (i) the parts delivered under this agreement will be free from defects in material, workmanship and title (and guarantees part life for certain parts); and (ii) all services performed will be performed in a competent and diligent manner. The warranty on parts expires one year after the date of first use of the part or four years after delivery of the part and the warranty on services expires one year after completion of the services.

Under the agreement, GE guarantees that each part (i) is manufactured by GE, (ii) is installed in the covered unit(s) by GE, (iii) is new when it is installed; and (iv) is no longer covered under the general parts warranty will have a guaranteed part life expiring on the date the guaranteed part reaches the factored fired hours (FFH) milestone. If a guaranteed part does not attain 100% of its guaranteed part life, GE will provide a discount toward the purchase of a replacement part.

TGU also obtained a parent guarantee from General Electric Company, whereby General Electric Company guarantees the payment and performance obligations of the GE entities party to the PSA.

### ***Water and Waste Water***

TGU entered into a water supply agreement (the “Water Supply Agreement”), dated October 2, 2009, with the Water and Sewerage Authority of Trinidad and Tobago (“WASA”), which has a 30 year term from the date of the agreement unless terminated (see below) or extended upon terms mutually acceptable to WASA and TGU.

Pursuant to the WSA, WASA agrees to sell and TGU agrees to purchase and receive TGU’s requirements of up to an average of 450 cubic meters of potable water each day for any month of the given contract year (the “Maximum Monthly Quantity”), starting on April 15, 2010, in accordance with TGU’s projected water requirements for the Plant when running at 100% of capacity. For the year ended December 31, 2015, TGU purchased water from WASA at the contracted rate of TT\$3.50 per cubic meter.

In the event that our water requirements exceed the Maximum Monthly Quantity, under the WSA WASA is required to make a good faith attempt to provide such additional volumes under the same terms. If TGU purchases more than 450 cubic meters of water (the “Maximum Monthly Quantity”) for more than three consecutive months, the price for water in excess of the Maximum Monthly Quantity demanded beyond such three month period will be equal to one hundred and ten percent (110%) of the price in effect at the time. Currently payments are made in TT\$ but WASA has the right to request payment in U.S. Dollars.

TGU is obligated to purchase and pay for a quantity of water which is equal to 85% of 360 cubic meters per day (the “Average Daily Quantity”) multiplied by 365 (which equals approximately 111,690 cubic meters) less any quantity of water that WASA failed to supply and any quantity of water not supplied or taken due to force majeure (the “Minimum Annual Quantity”). TGU’s average annual water usage is 158,000 cubic meters. TGU is required

to pay WASA for water that it does not offtake up to that minimum, but it may offtake water that it paid for but did not take over the next two contract years (adding any price difference).

WASA has no obligation to supply water where payment from TGU is in arrears for more than 45 days. If WASA is unable to supply up to the Maximum Monthly Quantity, WASA will use its best endeavors to supply up to the Average Daily Quantity but if WASA is unable to do so TGU is entitled to obtain the shortfall of water from any other source. If WASA is unable to supply water for any reason other than force majeure (including a prolonged drought), WASA is required to reimburse TGU the reasonable costs of an alternative supply of water. As of the date of this offering memorandum, there have been no interruptions of supply for any of these reasons.

TGU may terminate the Water Supply Agreement with six months' notice provided that if such termination occurs before October 2, 2019, TGU is required to pay WASA either an amount equal to five months' supply of water based on TGU's average consumption of water for a five month period prior to giving the notice of termination or the Minimum Annual Quantity pro-rated for five months, whichever is the greater. TGU may also terminate by notice within two months of WASA increasing the price without the consent of TGU. WASA may terminate the Water Supply Agreement for breach by TGU which is not remedied, or the remedy for the breach is not commenced, within fourteen days of notification of the breach. The Water Supply Agreement is governed by the laws of Trinidad and Tobago.

### ***Framework Agreement***

On September 15, 2009, simultaneously with executing the PPA and the Guarantee, we entered into a Framework Agreement with GoRTT and certain AES entities (the "Framework Agreement"). The purpose of the Framework Agreement is to document GoRTT's support of the construction of the Plant as part of its policy to encourage and promote the development of natural gas-based industries in such manner that will further develop the downstream activities of these industries to generate employment, industrial development and revenues for the benefit of the people of Trinidad and Tobago, and to recognize that the viability of the construction of the Plant is in part dependent on the granting of certain fiscal incentives, licenses, approvals and assurances.

To that end, pursuant to the Framework Agreement, the GoRTT warrants that the appropriate governmental authority in Trinidad and Tobago will grant to TGU and its contractors, as applicable, the relevant approvals that are required to construct, own and operate the facility, and represents that neither GoRTT nor any governmental authority will revoke, terminate, or amend any such approval, unless specifically provided by law. The GoRTT also agrees that neither it nor any governmental authority will modify the PPA or any other project agreement without the consent of the parties to such agreement. Finally, the Framework Agreement provides that TGU and the Plant will receive most favored nation status.

### ***Real Estate***

We entered into a deed of lease (the "Deed of Lease"), dated May 1, 2010, with NEC, under which NEC granted TGU a leasehold interest over two parcels of land situated in the Ward of La Brea, comprised of 7.8524 Hectares and 8.0724 Hectares, for use as the Plant site. The term of the Deed of Lease commenced on January 1, 2009 and ends on August 1, 2041, unless terminated (see below) or extended upon terms mutually acceptable to both NEC and TGU.

Upon execution of the Deed of Lease, TGU paid NEC an upfront payment of U.S.\$279,840. For the five year period commencing on the Rent Commencement Date, the annual rent was set at U.S.\$318,000. For each five year period commencing on August 1, 2017 (each such period, a "Review Period") until the end of the term, the rent per year will be the greater of the same rent as in the prior Review Period or a rent calculated in accordance with the tenth schedule of the Deed of Lease (the "New Rent"), as described below. NEC may propose a New Rent to TGU and in the event the parties cannot agree on the proposed New Rent, the formula set out in paragraph 4(1) of the 10th schedule of the Deed of Lease for purposes of calculating the New Rent will be applied (the formula provides for the indexation of the initial rent of U.S.\$318,000 by the index of retail prices of the Central Statistical Office of the Ministry of Finance of Trinidad and Tobago). The New Rent cannot exceed the rent paid in the previous Review Period by more than 50%. TGU also pays NEC an annual service charge of U.S.\$15,900 on a pro rata basis, in advance. NEC has the right to reasonably increase the service charge where it is demonstrated that TGU's usage of

the common facilities on the industrial estate where the Plant is located exceeds that of the other users of the industrial estate, and TGU may review invoices reflecting such an increase. For the year ended December 31, 2015, TGU paid U.S.\$333,900 in rental and service charges under this agreement, the same amount paid in 2014.

NEC may terminate the Deed of Lease (i) where any part of the rent remains unpaid for 30 days after becoming payable; (ii) where TGU fails to remedy a breach of a material covenant of the Deed of Lease within 60 days of being notified to do so by NEC; or (iii) in the event of the insolvency of TGU. The Deed of Lease is governed by the laws of Trinidad and Tobago.

## **Our Competition**

Trinidad and Tobago meets all of its domestic power needs locally, neither importing nor exporting electricity, and approximately 99% of the country's population has access to the national electricity grid, which had an estimated electrical energy consumption of 9.6 thousand GWh for the year ended December 31, 2015 and 7.0 thousand GWh as of September 30, 2016 according to T&TEC. According to the MEEI, electricity on the island of Trinidad is produced by three independent power producers. T&TEC is the sole retailer of electricity in the country, and contracts with a few electricity generation players, of which we are the second largest in terms of installed capacity. See "*Industry and Regulation*".

## **Insurance**

We carry insurance coverage with limits, deductibles, terms and conditions that are considered to be consistent with industry practice and are reasonable for power generation projects of similar size, type and exposure. We utilize the Guardian General Insurance Limited ("Guardian General") manuscripted form for property insurance with coverage provided on a fronting basis with 100% quota share reinsurance through London and European reinsurers who have experience with insurance of power generation. We also utilize stand-alone operational property and primary and excess liability policies. The current operational all risk policy with the combined property and business interruption loss limit of U.S.\$600.0 million provides combined limits that are less than the full replacement cost of the Plant and eighteen months of business interruption, with sub-limits for the perils of earthquake and flood of U.S.\$250.0 million per occurrence and in the annual aggregate. The liability policies provide limits to meet the requirements of all existing project documents.

The facility values that make up the insurable replacement value are calculated as the total costs to construct the Plant, less the value of items that would not be duplicated should a covered loss occur. Certain non-recurring or limited recurring fees, permitting, site acquisition cost, engineering, legal, accounting, insurance, general and administrative costs would be deducted from the overall facility costs to determine an estimated replacement cost. The actual replacement cost value submitted to insurers as shown in the terrorism and sabotage policy is U.S.\$750.0 million which is in excess of the amount of the net investment in the leased asset (lease receivable), at the inception of the lease, of U.S.\$744,723 thousand.

Business interruption values are calculated as the anticipated gross facility revenues (capacity payments and other revenue charges) less operating and maintenance expenses that would not continue in the event the Plant is unable to operate due to damage should a covered loss occur. The policy contains an indemnity period of 18 months, which is appropriate for the potential time frame to complete reinstatement. The actual 18-month value reported to insurers is shown in the terrorism and sabotage policy as U.S.\$128.0 million. Based on this combined U.S.\$878.0 million reported insurable value, we believe the combined limit of U.S.\$600.0 million to be an appropriate limit.

The table below is a summary of current insurance coverage as of January 2016:

<b>Line of Insurance</b>	<b>Operational Insurance</b>
<b>Property – Project</b>	
All risk property damage	Policy Loss Limit of U.S.\$600,000,000
Earth movement sublimit	U.S.\$250,000,000 policy year aggregate
Flood sublimit	U.S.\$250,000,000 policy year aggregate
Business interruption	Combined in Policy Loss Limit
<b>Workers Compensation – Project</b>	Statutory Benefits in accordance with Workmen’s Compensation Act 1960
<b>Employer’s Liability – Project</b>	Common Law Limit of Liability TT\$6,500,000 Medical Expense Limit TT\$10,000 per employee per injury
<b>Master General Liability (Excess) – Project</b>	U.S.\$10,000,000 / U.S.\$10,000,000 occurrence and general aggregate U.S.\$10,000,000 products/completed operations aggregate U.S.\$10,000,000 automobile liability
<b>Primary General Liability – Project</b>	U.S.\$10,000,000 any one occurrence/period
<b>Excess General Liability - Project</b>	U.S.\$15,000,000 any one occurrence/period
<b>Terrorism and/or Sabotage - Project</b>	U.S.\$250,000,000 any one occurrence/period Property damage and time element
<b>Automobile (Private) – Project</b>	TT\$6,400,000/TT\$6,400,000 bodily injury any one claim/ person and series of claims any one event TT\$6,400,000/TT\$6,400,000 property damage any one claim/person and series of claims any one event TT\$3,000 legal/manslaughter expenses
<b>Automobile (Commercial) – Project</b>	TT\$6,400,000/TT\$6,400,000 bodily injury any one claim/ person and series of claims any one event TT\$6,400,000/TT\$6,400,000 property damage any one claim/person and series of claims any one event TT\$3,000 legal/manslaughter expenses
<b>Automobile (Commercial) – Project</b>	TT\$6,400,000/TT\$6,400,000 bodily injury any one claim/ person and series of claims any one event TT\$6,400,000/TT\$6,400,000 property damage any one claim/person and series of claims any one event TT\$3,000 legal/manslaughter expenses
<b>Marine Cargo - Project</b>	U.S.\$3,000,000 any one vessel(barges, aircraft, conveyance)

We do not anticipate having any difficulties in renewing any of our insurance policies and believe that our insurance coverage is reasonable in amount and consistent with industry standards applicable to energy generation companies operating in our market.

## Environment

We have a comprehensive environmental management system in place, and maintain a proactive approach to environmental protection. We have implemented an environmental management system manual, a comprehensive document that contains procedures and guidelines for the Plant, including water treatment, spill prevention, control and countermeasures, oil spill response and management, personnel training, hazardous and non-

hazardous waste management, air monitoring and noise monitoring. Environmental staffing includes the skill levels, oversight and continuing attention needed to maintain the environmental management system in place for the Plant.

Extensive due diligence was conducted by an independent engineer to provide a comprehensive environmental review for TGU. In compliance with Trinidad and Tobago environmental standards, the turbines operate on natural gas fuel and use a dry low NOx combustion system, maintaining low emissions, and incorporate an innovative, self-contained air cooling system constructed to render sea water intakes unnecessary. The Plant has been operating within its designed environmental parameters. We continue to do monitoring in compliance with the Certificate of Environmental Clearance (“CEC”) standards and have received all required certifications from all required authorities. Since commercial operations began, the Plant has complied with all required parameters of the CEC.

## **Employment**

The Plant is operated and managed by TGU. Our plant staff includes 57 nonunion employees comprised of 47 technical and engineering personnel and ten support and administrative staff. The majority of our plant personnel has previous industrial facility experience and has been employed at the Plant since its commissioning in 2011. Our leadership experience levels range from 15 to 31 years of relevant experience in electric power or oil and gas industries. Our senior management team has on average approximately 30 years of experience in generation; and our operating staff is adequately trained and qualified. The management team at the Plant consists of the Plant Manager and the Team Leads for operations, maintenance, HSE and planning and projects. The technical staff consists of 22 operations technicians and 13 maintenance technicians, an industrial chemist, and engineers responsible for planning and projects and QA/QC. Our operating staff is not subject to collective bargaining agreements, and there are no unions. The Plant receives additional support from the corporate office in Chaguanas, which has seven employees focusing on material support, human resources, accounting and information technology. Our leadership team has significant experience in power plant operations and the power generation industry, having worked at other power plants in Trinidad and Tobago. Personnel qualifications are certified by accredited institutions for meeting industry standards and programs are in place to emphasize safety and workplace training.

As our operations are subject to various hazards, our management places a high priority on and closely monitors the health and safety of our employees. We have instituted policies, procedures and training programs to emphasize safety and workplace training.

We have a structured training program, which includes an 18-month program for new trainees, where the trainees spend a month with each department. This program assists in identifying particular areas for which the trainees may have an aptitude. In addition, the trainees are interviewed on a quarterly basis by the relevant managers. Ongoing training is performed by ongoing procedure reviews conducted during the night shift. This program ensures that all operators are familiar with the procedures and ensures that procedures are being reviewed on a continuous basis.

## **Information Technology**

The systems and services of our information technology infrastructure are segregated into two networks: (i) our corporate network and (ii) our plant network. The corporate network primarily serves business and security purposes and utilizes applications such as Maximo, SharePoint, Net2 Access Control Systems, SAGE, HRp5, Crystal Reports, HSE Applications, Leave Management, HR Database and Office365. On the other hand, our plant network is used to control and manage our plant systems. These systems are used to operate our machines and record information on their performance statistics and other forms of historical data. These functions are supported with the following applications: Historian, Yokogawa DCS, GE Control System and Siemens HV and MV Electrical System Software. The Plant’s network is operated from a central control room at the Plant, which is operated at all times by four operators and one supervisor. Each computer operating on the Plant’s network operates on its own power system. Additionally, the servers for the computers and systems at the Plant are stored in a locked room within the control center with restricted access.

Our data security infrastructure has several protection layers including password protection, a corporate firewall through the use of Access Control Lists (ACLs), corporate email security services (spam filtering and active

virus scanning), RADIUS server wireless security, frequent backup procedures and physical and electronic security (electronic doors, locks and keys). In order to protect our data we currently implement the following plans which are included in our 2016 budget: (i) network penetration and vulnerability tests, (ii) implementation of network monitoring tools and (iii) ongoing updates of the current corporate firewall. Furthermore we have the following projects planned for implementation in 2017: (i) annual contract for the maintenance of server infrastructure inclusive of hardware and software repairs, patches, updates and upgrades and (ii) implementation of firewall to allow for remote protection and off-site response and access. Our Information Technology Team and Electrical and Instrumentation Department are responsible for our corporate and plant data security.

In April 2016 we experienced a ransom-ware issue which was isolated to a single computer, and was successfully resolved with our data security third-party vendors and applications.

### **Legal Proceedings**

We are from time to time involved in certain legal proceedings that are incidental to the normal conduct of our business. We do not believe that the outcome of any such proceedings, if decided adversely to our interests, will, individually or in the aggregate, have a material adverse effect on our business, financial condition, cash flows or results of operations.

## THE REPUBLIC OF TRINIDAD AND TOBAGO

*The information included in this section has been extracted from official publications and other information publicly disclosed by the GoRTT, and has not been independently verified by us or the initial purchasers. We and the initial purchasers do not have and do not accept any responsibility for the accuracy or completeness of the information disclosed by the GoRTT in such publications (which are not incorporated by reference into this offering memorandum) or publicly available information included in this section or elsewhere in this offering memorandum. Prospective purchasers are strongly advised to make their own independent evaluation of the GoRTT, including its financial condition, and of the macroeconomic conditions of Trinidad and Tobago generally, prior to making an investment decision with respect to the notes. Neither the GoRTT nor any of its subsidiaries or affiliates is providing any guarantee of payment or other credit support for the notes.*

### **Territory, Population and Society**

Trinidad and Tobago consists of two main islands that are located at the southern tip of the Caribbean archipelago and are bordered by the Caribbean Sea on the west and the North Atlantic Ocean on the east. These two islands are situated just off the South American mainland and are separated from Venezuela by a distance of approximately 11 kilometers (seven miles) at the closest point. The total area of Trinidad and Tobago is 5,127 square kilometers (1,980 square miles). Trinidad, the larger and the more populous of the two islands, accounts for 4,827 square kilometers (1,866 square miles), while Tobago accounts for an area of 300 square kilometers (116 square miles). Tobago is positioned to the northeast of Trinidad and is separated from it by a channel of approximately 32.2 kilometers (20 miles). The climate in Trinidad and Tobago is tropical, with an average annual temperature of 25.7 degrees Celsius (78.3 degrees Fahrenheit). There are two main seasons: the dry season, which runs from January to April, and the rainy season, which lasts from May to December.

The topography of Trinidad consists primarily of lowlands, with three low mountain ranges (the Northern Range, the Central Range and the Southern Range) stretching from the eastern to the western portion of the island. The Northern Range is a continuation of the Cordillera Mountains of South America and is heavily forested. Trinidad's most productive agricultural area is the area between the Northern Range and Central Range, while the majority of Trinidad's onshore oil and gas activities are located in the southern part of the island. Conversely, Tobago has a central mountain range, which, like the island, has a northeast-southwest alignment. The major crops in Tobago are grown in the lowlands on both sides of the mountain ridge. The capital of Trinidad and Tobago is Port of Spain, which extends approximately 17 miles north along the coast between the Gulf of Paria, the Northern Range and the Caroni Swamp. The Point Lisas industrial complex is home to the busier of Trinidad and Tobago's two major ports and is the center of many of Trinidad and Tobago's industries and services.

At January 1, 2016, the population of Trinidad and Tobago was estimated at 1,363,760 persons, an approximately 0.48% increase from 2015. The population density of Trinidad and Tobago is approximately 265.8 inhabitants per square kilometer. English is the principal and official language in Trinidad and Tobago; Hindi, Spanish, Chinese and French are also spoken.

The Human Development Report 2015 ranks Trinidad and Tobago's level of human development as 64th among 188 countries. In 2014, life expectancy at birth was 70.4 years and, as of 2013, the adult literacy rate was 98.8%. In 2015, Trinidad and Tobago was in the upper middle-income range of developing countries.

### **Constitution and Government**

Trinidad and Tobago is a former British colony. Trinidad and Tobago attained full internal self-government in 1961 and independence from British rule on August 31, 1962. On August 1, 1976, Trinidad and Tobago became a republic.

Trinidad and Tobago operates under a parliamentary democracy. The Constitution of Trinidad and Tobago provides for the establishment of a Parliament, which consists of the President, the Senate and the House of Representatives. The President is the Head of State, and is chosen by an electoral college, consisting of members of

the Senate and the House of Representatives. The President presides for a 5 year renewable term. The current President is Mr. Anthony Carmona, who was sworn into office on March 18, 2013.

The Parliament is bicameral, and comprises the Senate and the House of Representatives. Parliament sits for a term of up to five years from the date of its first sitting after any dissolution. The Senate comprises thirty-one members, all of whom are appointed by the President. Sixteen senators are appointed in accordance with the advice of the Prime Minister, six in accordance with the advice of the Leader of the Opposition and nine at the President's discretion. The President of the Senate is elected from among the thirty-one appointed members of the Senate. All senators, unless otherwise provided, vacate their seats in the Senate upon the dissolution of Parliament. The House of Representatives is composed of the elected representatives of the forty-one constituencies of Trinidad and Tobago and the Speaker of the House. Every member of the House of Representatives, unless otherwise provided, would vacate their seats upon the dissolution of Parliament. In the case of both the Senate and House of Representatives, the tenure of office of senators and members of the House is normally five years from the date of the first sitting of Parliament after any dissolution.

The general direction and control of the government rests with the Cabinet, which is led by the Prime Minister and collectively responsible to the Parliament. The Prime Minister is appointed by the President from among the members of the House of Representatives who commands or is most likely to command the support of the majority of members of that House. The current Prime Minister is Dr. Keith Rowley, who was elected as a member of the House of Representatives on September 7, 2015.

Tobago has a unicameral House of Assembly that is responsible for the formulation and implementation of policy in respect of certain matters including, but not limited to, finance. The Assembly is responsible for the collection of revenue and the meeting of expenditure incurred in the carrying out of its functions. The Assembly consists of twelve elected Assemblymen, four Councillors and a Presiding Officer who may or may not be an Assemblyman or a Councillor. The members of the Assembly serve four year terms. The Assembly approves draft estimates of revenue and expenditure, submitted by the Secretary to whom responsibility for finance is assigned, in respect of all functions of the Assembly. The draft estimates are considered and approved by the Cabinet. The Constitution establishes a fund called the "Tobago House of Assembly Fund" (the "Fund") which consists of monies appropriated by Parliament for the use of the Assembly and other monies lawfully collected by the Assembly. All revenue collected in Tobago, on behalf of GoRTT, and payable thereto in respect of activities undertaken or discharged in Tobago, is paid in to the Fund. All expenditures incurred by the Assembly is paid out of the Fund.

The main court system in Trinidad and Tobago includes the Summary Court and the Supreme Court. The latter consists of the High Court of Justice and the Court of Appeal. The Judicial Committee of the Privy Council, sitting in London, England, may hear further appeals and is the final appellate court of Trinidad and Tobago.

On February 14, 2001, the Caribbean Court of Justice (the "CCJ") was established by an agreement signed by 10 countries of the region, including Trinidad and Tobago. Signatories to the agreement, other than Trinidad and Tobago, include Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Suriname. The CCJ was inaugurated in Port of Spain on April 16, 2005 and its first case was heard in August 2005. Trinidad and Tobago, as well as many other members of the Caribbean Community ("CARICOM"), has yet to pass legislation to make the CCJ its final appellate court.

## **Economy**

### ***Recent Economic Trends***

Following 15 years of positive real economic growth, Trinidad and Tobago was adversely affected by the global financial crisis, which contributed to negative growth of 0.2% for calendar year 2011. For calendar years 2012 and 2013, however, Trinidad and Tobago returned to positive growth, with an expansion in real GDP of 1.3% and 2.3% respectively. Trinidad and Tobago's real economic growth declined by 1% in calendar year 2014. This was mainly attributable to an estimated 2.4% contraction in the petroleum sector, with only a mild growth of 0.1% in the non-petroleum sector. For calendar year 2015, preliminary estimates show marginal real economic growth of

0.2% due to growth in the non-petroleum sector of 2.3%, outweighing another contraction in the petroleum sector of 3.4% in calendar 2015.

The decline in the petroleum sector was mainly driven by maintenance upgrades, infrastructural developments offshore, gas supply issues, and lower energy prices which affected the energy sector in 2014, and continued into 2015. Growth in the non-petroleum sector is estimated to have been driven by growth in finance, insurance and real estate (8.6%); construction and quarrying (3.4%); government (8.3%); transport storage and communication (1.2%); and manufacturing (1.3%).

The weak performance of the domestic economy in calendar year 2015 negatively affected the labor market, resulting in the loss of jobs and a commensurate rise in the unemployment rate. The rate of unemployment averaged 3.7% during calendar year 2015, an increase from 3.3% in calendar year 2014.

With the decline in global energy prices and depleted volumes of oil and gas available for export, total export receipts declined by 26.6% in the first nine months of 2015 compared with the same period in 2014. While imports have fallen, the demand for foreign exchange has remained persistently high. In the second half of 2015, sales by authorized dealers to the public grew by 3.4% compared with the same period in the previous year. In light of the tighter market conditions, the exchange rate of the TT dollar against the U.S. Dollar depreciated by 1% in 2015 and by a further 4.1% from January 2016 to July 2016, to an end-of-period average of TT\$6.6856 per U.S.\$1.

Trinidad and Tobago's balance of payments has not been consistent during the years 2011 to 2015, with overall deficits recorded in 2012 and in 2015. The overall balance of payments stood at a surplus of U.S.\$1,329.6 million in 2014 and a deficit of U.S.\$1,528.5 million in 2015 mostly due to a sharp drop-off in energy exports in 2015. Both Trinidad and Tobago's current and capital accounts were in surplus in 2014; amounting to U.S.\$377.6 million and U.S.\$952.0 million respectively. In contrast, for calendar year 2015, Trinidad and Tobago's current account is estimated to show a deficit of U.S.\$101.2 million, while a deficit of U.S.\$1,427.3 is estimated for its capital account.

Headline inflation was well contained in 2015 and in early 2016. According to the Central Statistical Office (CSO), the inflation rate averaged 4.7% in 2015 compared with 5.7% in 2014 and 5.2% in 2013. The rate of inflation stood at 3.5% (year-on-year) in April 2016. On a year-on-year basis, headline inflation averaged 3.2% in the first four months of 2016.

The Central Bank raised its main policy rate, the "Repo rate", on eight successive occasions beginning in September 2014 and throughout 2015, mainly in anticipation of monetary policy normalization in the US. However, the Central Bank halted further rate increases in early 2016 in order to support the domestic economy as the international and domestic economic climate worsened. As of the date of these listing particulars, the Repo rate stands at 4.75%, significantly higher than the rate of 2.75% in September 2014. The halt in the Repo rate increases was supported by a benign inflation environment.

Meanwhile, private sector credit growth has been relatively resilient despite the anemic macroeconomic performance. On a year-on-year basis, private sector credit granted by the consolidated financial system rose by 6.2% in March 2016 compared with 6.1% in December 2015 and 7.4% in December 2014. In 2015 and during the first three months of 2016, consumer and real estate mortgage loans expanded at a relatively robust pace (on a year-on-year basis), while recent trends in business lending suggest that growth in corporate sector borrowing has slowed.

Following the increase in Trinidad and Tobago's borrowing limits under the Treasury Bills and Notes Acts in late 2013, the Central Bank was able to employ Open Market Operations more fully in its liquidity management. The House of Representatives of Trinidad and Tobago approved an increase in the Central Bank's authorization for Open Market Operations from TT\$5.0 billion (U.S.\$752.6 million) to TT\$15.0 billion (U.S.\$2.26 billion) for issuances of treasury notes and from TT\$15.0 billion (U.S.\$2.26 billion) to TT\$30.0 billion (U.S.\$4.52 billion) for issuances of treasury bills. Liquidity levels in the banking system fell from a daily average of roughly TT\$6.8 billion in 2014 to TT\$3.4 billion in 2015. Liquidity conditions were slightly more relaxed in the first five months of 2016 as the market anticipated issuances of GoRTT securities. Between January and May 2016, banks' excess reserves averaged TT\$4.4 billion daily. Given the changing liquidity dynamics and public sector financing requirements, the Central Bank was able to reduce the outstanding balances on some supplemental liquidity

absorption instruments it had relied on in the past. In October 2015, a TT\$2 billion commercial bank fixed deposit held at the Central Bank was not reissued upon maturity. A similar approach was taken with respect to two additional deposits having a combined value of TT\$2.5 billion in December 2015 and May 2016. Additionally, proceeds of roughly TT\$1.8 billion from prior GoRTT bonds issued under the Development Loans Act for liquidity sterilization purposes were made available to the GoRTT. The reduction of excess liquidity and lagged pass through effects from past Repo rate increases led to higher interest rates on GoRTT securities in 2015 and early 2016 compared with rates in 2014.

### ***State-Owned Enterprise Policy***

To further Trinidad and Tobago's objectives, the GoRTT intends to have state-owned enterprises continue to play an important role in facilitating and supporting the expansion of Trinidad and Tobago's economy through, among other initiatives, the development of infrastructure and the provision of key services in support of private sector business development, in each case guided by equity, transparency, efficiency and accountability. In addition, GoRTT will continue to monitor state-owned enterprises to ensure the optimal utilization of public resources.

As of September 30, 2015, the GORTT owned an interest in 59 state-owned enterprises (SOEs) in various sectors of the economy, of which 47 were wholly-owned, seven were majority-owned and five were minority-owned. Under the umbrella of these state enterprises were 51 additional companies for which GORTT had indirect ownership. GoRTT held investments in 6 statutory public utilities in the areas of water, power, port services, housing and mass transit.

As of September 30, 2014, total assets of the state-owned enterprise sector were TT\$170,640.00 million, consisting primarily of the energy and energy-based sector (TT\$98,242.76 million), the financial services sector (TT\$49,960.53 million) and the services sector (TT\$18,814.19 million). Total net profits (after tax) of the state-owned enterprise sector were TT\$5,635.72 million for fiscal year 2014, consisting primarily of profits from the energy and energy-based sectors (TT\$4,329.76 million). For fiscal year 2014, state-owned enterprises paid TT\$5.44 billion in dividends to GoRTT.

As of September 30, 2015, total assets of the state-owned enterprise sector were TT\$156,270.95 million, consisting primarily of the energy and energy-based sectors (TT\$80,598.66 million), the financial services sector (TT\$52,928.11 million) and the services sector (TT\$18,923.18 million). Total net profits (after tax) of the state-owned enterprise sector were TT\$1,301.53 million for fiscal year 2015. This consisted primarily of profits from the financial services sector of TT\$1,449.39 million which was offset by losses in the other sectors. For fiscal year 2015, state-owned enterprises paid TT\$6.29 billion in dividends to GoRTT, a portion of which would have been paid out of retained earnings.

A committee was established in October 2015 to conduct a review and assessment of the operations, performance and relevance of all existing special purpose/wholly owned state enterprises or entities controlled by the state, with the exception of the energy industries. The committee will also assess duplications in service offerings among the state enterprises, private sector companies and non-governmental or civil society organizations. This committee is expected to recommend, where applicable, the most appropriate disposition for state enterprises and entities which are not performing in respect of their defined public purpose or objectives. The committee is expected to report by the end of July 2016.

## Gross Domestic Product

The following table sets forth Trinidad and Tobago's nominal GDP, nominal GDP growth and nominal GDP growth by sector, sub-sector and segment for the years indicated.

	Year Ended December 31, <sup>(1)</sup>				
	2011	2012	2013	2014	2015 <sup>(2)</sup>
	<i>(annual percentage change unless otherwise indicated)</i>				
Nominal GDP (in millions of TT dollars).....	163,007.8	165,203.2	170,371.2	174,756.9	165,286.1
Nominal GDP growth (in percentage terms).....	15.4	1.3	3.1	2.6	(5.4)
Petroleum sector.....	29.7	(6.2)	(4.7)	(0.3)	(18.5)
Exploration and Production .....	23.3	(0.1)	(0.1)	(2.3)	(22.3)
Refining .....	34.2	(18.7)	(28.9)	9.7	(16.6)
Petrochemicals .....	31.0	(9.1)	(17.1)	5.6	(10.8)
Non-petroleum sector.....	7.1	5.3	8.5	4.9	2.5
Agriculture.....	1.3	3.5	3.3	(3.3)	5.8
Manufacturing <sup>(3)</sup> .....	8.4	(3.6)	12.5	(6.2)	(1.7)
Food, Beverages and Tobacco .....	(6.0)	(1.5)	7.7	(3.2)	4.0
Chemical & Non-Metallic Minerals .....	(7.8)	6.8	19.4	2.9	(13.5)
Services .....	7.1	6.4	8.1	6.1	2.8
Electricity and Water.....	10.5	(0.1)	(2.8)	7.2	2.0
Construction and Quarrying.....	(6.8)	0.1	6.5	9.5	4.7
Distribution and Restaurants <sup>(4)</sup> .....	16.4	9.8	9.2	5.4	(1.7)
Hotels and Guest Houses .....	(2.1)	2.9	(3.0)	5.2	9.4
Transport, Storage and Communication .....	5.7	2.0	4.0	4.0	2.0
Finance, Insurance and Real Estate .....	9.6	7.9	11.4	0.0	8.4
Government.....	0.5	1.9	8.2	19.1	5.8
Education and Cultural Services .....	(14.6)	16.1	3.3	0.9	0.5
Personal Services.....	20.1	6.0	8.4	7.2	7.8

Source: Central Statistical Office

- (1) The Central Statistical Office (CSO) is Trinidad and Tobago's official source of GDP data. These data are provided and/or updated once every year. As such, official estimates of GDP are not yet available for 2016.
- (2) Preliminary and subject to revision.
- (3) Excludes oil refining and petrochemical industries.
- (4) Excludes distribution of petrochemical products.

The following table sets forth Trinidad and Tobago's real GDP, real GDP growth and real GDP growth by sector, sub-sector and segment (at constant 2000 prices) for the years indicated.

	Year Ended December 31, <sup>(1)</sup>				
	2011	2012	2013	2014	2015 <sup>(2)</sup>
	<i>(annual percentage change unless otherwise indicated)</i>				
Real GDP (in millions of TT dollars).....	91,523.9	92,708.2	94,803.9	93,840.9	94,008.2
Real GDP growth (in percentage terms) .....	(0.3)	1.3	2.3	(1.0)	0.2
Petroleum sector .....	(3.9)	(2.8)	1.3	(2.4)	(3.4)
Exploration and Production .....	(4.4)	(2.5)	1.3	(1.7)	(3.8)
Refining .....	(5.8)	(4.3)	2.2	(3.6)	(4.7)
Petrochemicals .....	(4.7)	(5.8)	(1.7)	(1.0)	(4.4)
Non-petroleum sector.....	3.2	2.3	2.6	0.1	2.3
Agriculture.....	0.3	(12.6)	(0.1)	2.9	4.4
Manufacturing <sup>(3)</sup> .....	(0.3)	0.9	(1.0)	(4.0)	1.3
Food, Beverages and Tobacco .....	1.9	6.1	(2.6)	(4.2)	6.8
Chemical & Non-Metallic Minerals .....	3.5	(4.0)	1.6	(0.4)	(19)
Services .....	3.9	2.7	3.3	0.7	2.5
Electricity and Water.....	6.4	2.5	3.1	0.9	2.9
Construction and Quarrying .....	(8.8)	(2.0)	6.4	2.9	3.4
Distribution and Restaurants <sup>(4)</sup> .....	9.8	(0.9)	2.7	(11)	(5.3)
Hotels and Guest Houses .....	(8.7)	(8.2)	(6.3)	0.9	2.2
Transport, Storage and Communication .....	2.8	14.4	1.2	1.2	1.2
Finance, Insurance and Real Estate .....	5.3	3.0	8.9	(1.2)	8.6
Government.....	(0.7)	1.0	(8.8)	9.4	8.3
Education and Cultural Services .....	(2.4)	(0.6)	1.3	(2.0)	(3.4)
Personal Services.....	16.8	2.6	4.4	4.7	6.3

Source: Central Statistical Office

(1) The Central Statistical Office (CSO) is Trinidad and Tobago's official source of GDP data. These data are provided and/or updated once every year. As such, official estimates of GDP are not yet available for 2016.

(2) Preliminary and subject to revision.

(3) Excludes oil refining and petrochemical industries.

(4) Excludes distribution of petrochemical products.

The following table sets forth the percentages of nominal GDP by sector, sub-sector and segment of origin for the years indicated.

	Year Ended December 31, <sup>(1)</sup>				
	2011	2012	2013	2014	2015 <sup>(2)</sup>
	<i>(percent contribution)</i>				
<b>Petroleum sector.....</b>	<b>44.8</b>	<b>41.4</b>	<b>38.3</b>	<b>37.2</b>	<b>32.1</b>
Exploration and Production .....	23.6	23.2	22.6	21.5	17.6
Refining .....	7.9	6.3	4.4	4.7	4.1
Petrochemicals .....	7.7	6.9	5.6	5.8	5.4
<b>Non-petroleum sector.....</b>	<b>55.7</b>	<b>57.9</b>	<b>60.9</b>	<b>62.3</b>	<b>67.4</b>
Agriculture.....	0.5	0.5	0.5	0.4	0.5
Manufacturing <sup>(3)</sup> .....	5.7	5.4	5.9	5.4	5.6
Food, Beverages and Tobacco .....	3.1	3.0	3.1	2.9	3.2
Chemical & Non-Metallic Minerals .....	0.8	0.9	1.0	1.0	0.9
<b>Services .....</b>	<b>49.6</b>	<b>52.0</b>	<b>54.5</b>	<b>56.4</b>	<b>61.4</b>
Electricity and Water.....	1.2	1.2	1.1	1.2	1.3
Construction and Quarrying .....	5.4	5.3	5.5	5.9	6.5
Distribution and Restaurants <sup>(4)</sup> .....	17.8	19.3	20.4	21.0	21.8
Hotels and Guest Houses .....	0.4	0.4	0.3	0.3	0.4
Transport, Storage and Communication .....	5.3	5.3	5.4	5.5	5.9
Finance, Insurance and Real Estate .....	10.0	10.6	11.4	11.2	12.8
Government.....	6.4	6.5	6.8	7.9	8.8
Education and Cultural Services .....	2.0	2.3	2.3	2.2	2.4
Personal Services.....	1.2	1.2	1.3	1.4	1.5
FISIM <sup>(5)</sup> .....	(3.5)	(3.2)	(3.1)	(3.1)	(3.9)
Add: Value Added Tax (VAT) .....	3.0	3.8	3.9	3.7	4.3
Gross Domestic Product.....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Statistical Office

(1) The Central Statistical Office (CSO) is Trinidad and Tobago's official source of GDP data. These data are provided and/or updated once every year. As such, official estimates of GDP are not yet available for 2016.

(2) Preliminary and subject to revision.

(3) Excludes oil refining and petrochemical industries.

(4) Excludes distribution of petrochemical products.

(5) Financial intermediation services indirectly measured.

The following table sets forth the percentages of real GDP by sector, sub-sector and segment of origin for the years indicated.

	Year Ended December 31, <sup>(1)</sup>				
	2011	2012	2013	2014	2015 <sup>(2)</sup>
	<i>(percent contribution)</i>				
<b>Petroleum sector</b> .....	<b>38.7</b>	<b>37.1</b>	<b>36.7</b>	<b>36.2</b>	<b>34.9</b>
Exploration and Production .....	22.0	21.1	20.9	20.8	20.0
Refining .....	9.4	8.9	8.9	8.7	8.2
Petrochemicals .....	4.5	4.2	4.0	4.0	3.8
<b>Non-petroleum sector</b> .....	<b>61.8</b>	<b>62.4</b>	<b>62.6</b>	<b>63.4</b>	<b>64.7</b>
Agriculture.....	0.5	0.4	0.4	0.4	0.5
Manufacturing <sup>(3)</sup> .....	8.6	8.6	8.3	8.0	8.1
Food, Beverages and Tobacco .....	4.4	4.6	4.3	4.2	4.5
Chemical & Non-Metallic Minerals .....	1.4	1.3	1.3	1.3	1.3
<b>Services</b> .....	<b>52.7</b>	<b>53.4</b>	<b>53.9</b>	<b>54.9</b>	<b>56.2</b>
Electricity and Water.....	1.5	1.5	1.5	1.5	1.6
Construction and Quarrying.....	4.9	4.7	4.9	5.1	5.3
Distribution and Restaurants <sup>(4)</sup> .....	14.9	14.6	14.7	14.6	13.8
Hotels and Guest Houses .....	0.3	0.3	0.3	0.3	0.3
Transport, Storage and Communication .....	7.9	9.0	8.9	9.1	9.2
Finance, Insurance and Real Estate .....	14.3	14.5	15.5	15.4	16.7
Government.....	5.5	5.4	4.9	5.4	5.8
Education and Cultural Services .....	2.0	2.0	2.0	2.0	1.9
Personal Services.....	1.4	1.4	1.4	1.5	1.6
FISIM <sup>(5)</sup> .....	(3.0)	(2.5)	(2.4)	(2.3)	(2.6)
Add: Value Added Tax (VAT) .....	2.6	3.0	3.0	2.7	2.9
<b>Gross Domestic Product</b> .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Statistical Office

- (1) The Central Statistical Office (CSO) is Trinidad and Tobago's official source of GDP data. These data are provided and/or updated once every year. As such, official estimates of GDP are not yet available for 2016.
- (2) Preliminary and subject to revision.
- (3) Excludes oil refining and petrochemical industries.
- (4) Excludes distribution of petrochemical products.
- (5) Financial intermediation services indirectly measured.

## Inflation

With the exception of 2012, inflation, as measured by the annual average change in the Central Statistical Office's Index of Retail Prices (RPI), has been relatively contained over the period 2011 to 2016. Headline inflation slowed to 4.7% in 2015 compared with 5.7% in 2014 and 5.2% in 2013. In the first five months of 2016, headline inflation slowed further to an average of 3.2%. Food price inflation, which tends to be volatile, has primarily driven the overall increase in headline inflation over the past five years. Meanwhile, core inflation, which excludes food prices, has been relatively steady and low over the Review Period.

Being a small open economy, Trinidad and Tobago remains susceptible to the adverse impacts stemming from both international and domestic supply shocks on food prices, especially as Trinidad and Tobago imports most of its food. For instance, due in part to adverse domestic weather conditions, the vegetable sub-index increased on a year-on-year basis on average by 29.3%, 17.0% and 14.9% in 2012, 2013 and 2014, respectively. Meanwhile, in 2015, the meat sub-index rose by 16.9% due to rising poultry prices as the industry faced rising operational costs. After increasing by 19.1% in 2012, food inflation moderated to 8.7%, 10.0% and 8.6% in 2015, 2014 and 2013, respectively. On a year-on-year basis, food inflation averaged 8.1% over the first four months of 2016.

Over the period 2011 to May 2016, core inflation moved within a narrow range of 1.5% - 2.5%. Core inflation slowed to 1.8% in 2015 compared with 2.0% in 2014 and 2.4% in 2013. However, following the increase in motor gasoline and diesel prices as announced by GoRTT in October 2015 and April 2016, there was some uptick in core inflation over this period. In the first five months of 2016, year-on-year core inflation averaged 2.1%.

The following table sets forth the rate of inflation (expressed as the annual average change in the RPI) in Trinidad and Tobago for the calendar years indicated (unless otherwise stated):

	Year Ended December 31,					
	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	2014 <sup>(1)</sup>	2015 <sup>(1)</sup>	2016 <sup>(2)</sup>
Inflation .....	5.1%	9.3%	5.2%	5.7%	4.7%	3.2%

*Source: Central Statistical Office.*

- (1) Figures are based on the annual average for the stated year.
- (2) Based on the monthly average of the four months ended April 30, 2016.

### ***Natural Gas***

Trinidad and Tobago's first oil deposits were discovered in 1866, with the advent of drilling in 1907 at Point Fortin. Exploration for offshore oil began in 1954, and significant hydrocarbon deposits have been discovered since that time. Trinidad and Tobago's first major natural gas discovery was made in 1968. As Trinidad and Tobago's oil fields mature and increasing reserves of natural gas are discovered, Trinidad and Tobago has shifted its investment focus in the petroleum sector from oil to gas. In recent years, Trinidad and Tobago has increasingly succeeded in monetizing its gas reserves. Since 1996, Trinidad and Tobago has produced more gas (measured in barrels of oil equivalent) than oil.

Gas produced in Trinidad and Tobago, with the exception of gas sold to Atlantic LNG Company of Trinidad and Tobago ("Atlantic LNG"), Petrotrin and Natural Gas Liquids Phoenix Park Gas Processors Limited ("PPGPL"), is currently sold to The National Gas Company of Trinidad and Tobago, Limited ("NGC"), which in turn transports and supplies the gas to industrial consumers under individual sales contracts.

The following table presents key operating data relating to the petroleum sector for the periods indicated below:

	Year Ended December 31,					Three months ending March 31, 2016 <sup>(1)</sup>
	2011	2012	2013	2014	2015	
	<i>(in thousands unless otherwise indicated)</i>					
Crude Oil production <i>(in barrels)</i> .....	33,657	29,823	29,586	29,655	28,707	6,689
Condensates <i>(in barrels)</i> .....	8,459	4,627	4,882	4,946	4,798	1,064
Daily Average <i>(in barrels/day)</i> .....	92,211	81,707	81,057	81,246	78,649	74,325
Natural Gas Liquids <i>(in barrels)</i> .....	16,043	12,890	12,573	11,992	10,993	2,503
Crude Oil Resources <i>(in millions of barrels)</i> <sup>(2)</sup> .....	N/A	723	N/A	N/A	N/A	N/A
Crude Oil Total Imports <i>(in barrels)</i> .....	30,426	20,952	20,092	20,694	28,622	9,503
Crude Oil <i>(under processing agreements)</i> .....	326	248	238	214	250	57
Refinery Throughput <i>(in barrels)</i> .....	50,098	39,060	48,178	38,212	45,766	13,324
Refinery Output <i>(in barrels)</i> .....	48,227	37,292	46,737	36,780	44,213	13,043
Capacity Utilization <i>(expressed as a percentage of total capacity)</i> .....	83	65	80	63	75	90
Crude Oil Exports <i>(in barrels)</i> .....	14,083	11,239	12,469	11,900	11,319	2,642
Product Exports <i>(in barrels)</i> .....	41,218	32,445	37,176	29,084	34,204	11,506
Total Meters Drilled .....	112,909	116,179	108,388	110,590	47,075	29,333
Exploration <i>(in meters)</i> .....	11,075	17,090	11,346	11,696	17,263	N/A
Natural Gas Production <i>(in millions of cubic feet/day)</i> .....	4,169	4,122	4,145	4,071	3,804	3,596
Natural Gas Proven Reserves <i>(in trillions of cubic feet)</i> .....	13.26	13.11	12.24	11.50	N/A	N/A
Natural Gas Probable Reserves <i>(in trillions of cubic feet)</i> .....	6.04	6.14	5.53	5.47	N/A	N/A
Natural Gas Possible Reserves <i>(in trillions of cubic feet)</i> .....	6.16	5.99	6.12	5.72	N/A	N/A
Utilization <i>(in millions of cubic feet/day)</i> .....	3,851	3,823	3,854	3,789	3,578	3,367
Petrochemicals <i>(in millions of cubic feet/day)</i> .....	1,164	1,114	1,111	1,098	1,113	1,092
Electricity Generation <i>(in millions of cubic feet/day)</i> .....	304	304	304	301	295	278
Liquefied Natural Gas <i>(in millions of cubic feet/day)</i> .....	2,170	2,175	2,214	2,180	1,967	1,822
Methanol Production <i>(in thousands of metric tons)</i> .....	5,904	5,491	5,633	5,481	5,516	1,262
Fertilizer Production <i>(in thousands of metric tons)</i> .....	6,779	6,821	5,961	6,438	6,844	1,765
Natural Gas Liquids Production <i>(in thousands of barrels)</i> .....	16,043	12,890	12,573	11,992	10,993	2,503
Asphalt Production <i>(in tons)</i> .....	18.9	28.1	33.0	25.5	25.9	1.8

Source: Ministry of Energy and Energy Affairs

- (1) For three months ending March 31, 2016  
(2) Most recent data available is 2012

Trinidad and Tobago's first major natural gas discovery was made in 1968 and there are currently approximately 28 fields producing gas in commercial quantities. As of December 31, 2014, total proven reserves of natural gas were 11.50 trillion cubic feet, yielding a reserve life of approximately eight years at current rates of production. Probable reserves were 5.47 trillion cubic feet, while possible reserves were approximately 5.72 trillion cubic feet. GoRTT's policies with respect to the use of these reserves include promoting the development of a range of petrochemical and other gas-based industries and encouraging local and foreign investment.

The production of natural gas increased by 0.49% in 2013 compared to 2012, to approximately 4.145 billion cubic feet per day. In 2014, production declined to 4.071 billion cubic feet per day, a 1.7% decrease from 2013. There was a more significant reduction in 2015 to 3.804 billion cubic feet per day, an almost 6% decline relative to 2014. Natural gas consumption by companies at Point Lisas and by the Power Generation Company of Trinidad and Tobago Limited and TGU also decreased by approximately 0.2% in 2013 compared to 2012, to 1,415 million cubic feet per day. There was a more significant decline in 2014 to 1,399 million cubic feet per day when compared to 2013. In 2015, this figure increased to 1.09 million cubic feet per day. The largest user of natural gas in 2013 was Atlantic LNG (57%), followed by the Petrochemicals subsector (29%) and the Electricity and Water segment (8%). Similarly, for 2014, the largest user was Atlantic LNG (58%), the Petrochemical sector (29%) and the Electricity and Water segment (8%). In 2015, Atlantic LNG (55%) was followed by the Petrochemical sector (31%) and the Electricity and Water segment (8%).

In 2013, approximately 98% of the Trinidad and Tobago's natural gas was supplied by four major suppliers, all of whom operate in the north, east and southeast marine areas of Trinidad and Tobago. Smaller quantities of associated gas are produced off the southwest coast and onshore by Trinmar and Petrotrin. BPTT is the largest supplier of natural gas, supplying approximately 54.1% in 2013. British Gas Trinidad and Tobago Ltd, BHP Billiton (Trinidad 2c) Limited and EOG Resources each supplied 22.5%, 9.9% and 12.3%, respectively, in 2013 of Trinidad and Tobago's natural gas requirements.

In 2014, BPTT (53%) remained the largest supplier of natural gas, followed by British Gas Trinidad and Tobago Ltd (23%), EOG Resources (13%), and BHP Billiton (Trinidad 2c) Limited (9%).

In 2015, BPTT supplied 51% of natural gas, followed by British Gas Trinidad and Tobago Ltd (23%), EOG Resources (15%), and BHP Billiton (Trinidad 2c) Limited (10%).

NGC previously operated two compressor platforms in which low pressure associated gas from Repsol's oil production operations in the Teak, Samaan and Poui (TSP) Fields located off the east coast marine area is collected and compressed. This supply is returned to Repsol for gaslifting of the oil wells. Supply volumes are limited by the availability of associated gas from Repsol's (formally BPTT's) facilities. Gas sold by Repsol averaged 16 million cubic feet per day for 2013, 2014 and 2015.

### ***Energy Policy under Development***

Trinidad and Tobago is in the process of reviewing its energy policy Green Paper and plans to hold public consultations shortly, aimed at ensuring the widest participation in the development of strategies to promote efficient and effective management of the Nation's energy resources. A Gas Master Plan which relates to the period 2014 to 2024 was completed recently, the findings and recommendations of which are being used to inform the current policy review. The Master Plan analyzed the local and global scenario and recommended measures to treat with the various issues which impact on the viability of this country's natural gas industry. In addition, the GoRTT's energy policy recognizes the need to foster energy security through promotion of energy efficiency and conservation in the production and utilization of energy and diversification of energy sources to include renewable energy. Key issues that GoRTT will continue to address in developing policy for the Trinidad and Tobago energy sector are:

- The need to increase current production levels while reducing the rate of depletion of the energy resources;
- Diversifying the sources of energy and contributing positively towards the global effort to address climate change and global warming; and

- Maximizing the benefits that accrue to the citizens from the exploitation of its energy resources.

### ***Efficient Use of Non-Renewable Natural Resources***

In June 2013, the GoRTT agreed to an investment of TT\$500 million by the National Gas Company of Trinidad and Tobago Limited (NGC) in respect of the implementation of Phase I of a five-year plan for the development of CNG as a major vehicular fuel in Trinidad and Tobago. NGC CNG, a subsidiary company of NGC, is responsible for the implementation of the CNG plan. NGC CNG has started procuring sets of CNG station equipment and has determined suitable sites for the installation of this equipment. In addition, five mobile refueling units will also be commissioned in 2016 to refuel vehicles in different parts of the country.

By the end of 2016, it is expected that there will be twenty-two (22) fueling stations with CNG capacity in the country. As part of the CNG initiative, thirty-five (35) new CNG buses have been integrated into the Public Transport Service Corporation's (PTSC's) fleet of buses. The implementation of Phase I of the CNG plan is expected to be completed by 2018.

### ***Development of Renewable Energy***

Trinidad and Tobago completed a Sustainable Energy Programme with the assistance of the Inter-American Development Bank in 2014, which examined and made recommendations with regard to the various options for promoting renewable energy and energy efficiency in order to reduce the country's dependency on petroleum and its carbon footprint.

Trinidad and Tobago was the first Caribbean nation out of 52 countries to formally submit their INDC to the United Nations Framework Convention on Climate Change (UNFCCC) as an input into the Climate Change dialogue at the Twenty-first (21st) Conference of the Parties (COP 21). On December 12, 2015, the country joined one hundred and ninety-four (194) other countries at the COP21 in adopting the Paris Agreement, which it signed subsequently on April 22, 2016.

### ***Global Expansion of the Energy Sector***

Trinidad and Tobago plans to expand its energy sector globally. In addition to exporting its petroleum production, Trinidad and Tobago plans to engage in international energy development projects. In May 2016, Trinidad and Tobago signed a Cooperation Agreement between the Government of Ghana and the GoRTT. In addition to this Government to Government Agreement, a Memorandum of Understanding on joint identification and development of commercially viable natural gas projects was also signed by the Ghana National Petroleum Corporation (GNPC) and the National Gas Company of Trinidad and Tobago (NGC).

Trinidad and Tobago has also identified areas for regional energy collaboration, under the Caribbean Energy Security Initiative, at the CARICOM - United States Trade and Investment Council (TIC) meeting in May 2016.

Trinidad and Tobago, through the NGC, has also been invited to participate in the infrastructural development, processing and marketing of significant proven natural gas provinces which are located outside the jurisdiction of Trinidad and Tobago.

Other significant opportunities for increased access to global markets may arise for Trinidad and Tobago with the completion and commissioning of the expansion of the Panama Canal.

## **Employment**

The rate of unemployment averaged 3.4% during calendar year 2015, a slight increase from the 3.3% average achieved during calendar year 2014, and a decrease from the 3.7% average recorded in calendar year 2013. The low level of unemployment reflected the Central Government's commitment to creating sustainable employment opportunities for its citizens in order to enhance their quality of life and alleviate poverty. The Central

Government supports this commitment through short-term fiscal and monetary policy, numerous skills enhancement and temporary unemployment relief programs (such as the Community-Based Environmental Protection and Enhancement Programme (CEPEP), the On the Job Training Programme (OJT), and the Unemployment Relief Programme (URP)) as well as the continued use of monetary policy to promote financial stability, and encourage expansion and employment by the private sector in the long-term.

Unemployment levels in Trinidad and Tobago are extremely sensitive to energy prices and production (particularly oil and gas). The petroleum sector is a critical contributor to GoRTT's earnings and therefore Government's ability to spend. As a significant stimulant of activity throughout the non-petroleum sector, Government expenditure is the main driver of employment in Trinidad and Tobago, given that most persons are employed in the Non-Petroleum sector. The slightly higher levels of unemployment in 2015 reflect Government's smaller fiscal stimulus and the cost cutting measures undertaken by energy companies in response to low energy prices. Over the past decade however the Trinidad and Tobago economy has experienced labour shortages in a number of sectors such as manufacturing, and these sectors would have benefitted by absorbing some of the newly unemployed.

In 2015, the number of persons with jobs decreased by 13,600 from 636,900 in 2014. The most significant reductions occurred in the Community Social & Personal Services segment, which declined by 6,900 persons during 2015 as compared to 2014, and in the Construction segment, where there was a decline of 4500 persons. In contrast, the following sectors recorded increase in employees during 2015: Manufacturing (1,200); Finance, Insurance, Real-Estate & Business Services (700); and Transport, Storage and Communication (400). The Government is continuing its effort to sustain employment rates in Trinidad and Tobago through various measures such as make-work programs.

The following table sets forth the average annual (unless otherwise stated) unemployment rate as a percentage of the labor force for the periods indicated.

	Year Ended December 31,				
	2011	2012	2013	2014	2015
Unemployment Rate.....	5.0% <sup>(1)</sup>	4.9%	3.7%	3.3%	3.4%

Source: Central Statistical Office.

(1) For the period April 1, 2011 to December 31, 2011.

The following table sets forth the average annual (unless otherwise stated) sectoral, sub-sectoral and segmental distribution of employment by number and percentage of the labor force for the periods indicated:

	Year Ended December 31,									
	2011 <sup>(1)</sup>	%	2012	%	2013	%	2014	%	2015	%
<i>(in thousands unless otherwise indicated)</i>										
Agriculture.....	21.7	3.5	22.9	3.5	22.0	3.4	22.9	3.5	21.3	3.3
Petroleum Sector <i>(includes mining and quarrying)</i> .....	19.9	3.2	21.0	3.3	20.6	3.4	21.3	3.4	21.3	3.3
Manufacturing .....	49.1	8.0	50.1	7.8	51.1	8.2	50.5	8.2	50.4	7.8
Construction <i>(includes electricity and water)</i> .....	97.7	15.8	103.6	16.0	107.3	17.1	106.2	16.1	101.8	15.8
Transport, Storage & Communication .....	40.8	6.6	43.0	6.7	46.1	7.4	43.9	7.1	44.3	6.9
Wholesale/Retail Trade, Restaurants & Hotels.....	105.0	17.0	111.8	17.3	114.2	17.6	117.3	17.8	117.2	18.2
Finance, Insurance, Real-Estate & Bus Services .....	55.3	9.0	55.7	8.6	56.3	8.7	57.2	8.7	58.0	9.0
Community Social & Personal Services .....	193.9	31.4	204.4	31.6	205.3	31.6	213.6	32.4	206.8	32.0
Not Classified .....	2.0	0.3	1.6	0.3	3.4	0.5	4.0	0.6	2.3	0.3
Total Employment.....	585.3	94.9	614.0	95.0	626.3	96.3	636.9	96.7	623.3	96.6

Source: Central Statistical Office.

(1) For the period April 1, 2011 to December 31, 2011.

The segments used for employment rates are different from those used for other economic indicators.

## **Litigation**

Except as disclosed herein, neither Trinidad and Tobago nor the GoRTT (including, but not limited to, any Ministry, Department or Subdivision of GoRTT) is involved in any litigation or arbitration proceeding that is material in the context of this issuance of notes. Trinidad and Tobago is not aware of any material litigation or arbitration proceeding that is pending or being threatened against Trinidad and Tobago or the GoRTT (including, but not limited to, any Ministry, Department or Subdivision of GoRTT).

On January 30, 2009, Trinidad and Tobago entered into a memorandum of understanding (the “MOU”) with CL Financial Limited (“CLF”), acting for itself and as agent for its affiliates, including Colonial Life Insurance Company (Trinidad) Limited (“CLICO”), CLICO Investment Bank Limited (“CIB”) and British American Insurance Company (Trinidad) Limited (“BAT”). Under the terms of the MOU, CLF agreed to undertake certain measures to correct the financial condition of CIB, CLICO and BAT in order to protect the interests of the depositors, policyholders and creditors of those institutions. Such measures included the sale of CLF’s shareholdings in certain entities, including Republic Bank Limited, Methanol Holdings (Trinidad) Limited (“Methanol Holdings”) and Caribbean Money Market Brokers Limited, and applying the proceeds of such sales towards correcting the financial imbalances of its affiliates. At that time, CLICO represented approximately 50% of the insurance liabilities in Trinidad and Tobago and, therefore, its distress represented a risk to the financial stability of Trinidad and Tobago.

Against this background, the Central Bank intervened and, with the assistance of GoRTT, sought to restructure CLICO and BAT. Trinidad and Tobago invested TT\$5.0 billion in CLICO in the form of a purchase of ordinary shares of CLICO representing 49.2% of the issued and outstanding shares (TT\$7.25 billion) and preference shares in the value of TT\$4.99 billion, and a further investment of TT\$100.0 million in liquidity support to BAT. In addition, Trinidad and Tobago purchased the liabilities of the policyholders and depositors of CLICO and BAT in an amount of approximately TT\$11.6 billion (U.S.\$1.8 billion). Since 2009, the key assets of CLICO, in which approximately 80% of the assets to be divested reside, as well as the assets of BAT and CIB, have appreciated in value. During 2014, Methanol Holdings was sold for in excess of U.S.\$1.0 billion. Subsequent to this, in March 2015, the Central Bank of Trinidad and Tobago, after consultation with the Ministry of Finance, announced a resolution plan that saw the commencement of the repayment process. Trinidad and Tobago received a cash repayment of TT\$4.0 billion and other affected policyholders received an initial cash payment of 85% of their liabilities. The resolution plan is ongoing and it is expected that further significant payments will be received from CLICO before the end of 2016. As a result, GoRTT believes that CLICO’s financial condition no longer represents a risk to the financial stability of Trinidad and Tobago.

On June 28, 2016, the Judicial Committee of the Privy Council in London, England, sitting as the final appellate court of Trinidad and Tobago, ruled against the CLICO United Policy Holders Group which had challenged the local Appeal Court’s decision to reverse a local High Court ruling ordering Trinidad and Tobago to honor its promise to pay policyholders.

## **Foreign Trade and Balance of Payments**

### ***Balance of Payments***

Trinidad and Tobago’s external accounts are estimated to have registered an overall deficit of U.S.\$1,528.5 million (5.9% of GDP) in 2015, compared to a surplus of U.S.\$1,329.6 million in 2014. The capital account recorded a surplus of U.S.\$926.3 million in 2015 which was linked mainly to private sector inflows. At the end of 2015, the level of gross official reserves amounted to U.S.\$9,788 million, or the equivalent of 11.1 months of prospective imports of goods and non-factor services. Trinidad and Tobago’s gross official reserves amounted to U.S.\$9,375.2 million at June 30, 2016, compared with U.S.\$10,592.0 million at June 30, 2015. This fall-off was primarily due to a decline in oil and gas receipts, which decreased by approximately 65% in the first half of 2016 compared to the first half of 2015. Reserves at June 30, 2016 represented 11.0 months of prospective imports of goods and non-factor services. Based on the change in reserves, the external position is expected to register a deficit of approximately U.S.\$1,200 million for the first quarter of 2016.

The following table sets forth the balance of payments of Trinidad and Tobago for the periods indicated.

	Year Ended December 31,				
	2011	2012	2013	2014	2015 <sup>P</sup>
	<i>(in millions of U.S.\$)</i>				
<b>Current Account</b> .....	1,787.2	(2,738.6)	3,419.9	377.6	(101.2)
Merchandise .....	5,455.3	1,272.1	6,115.7	3,290.1	1,330.1
Services .....	(627.6)	(654.7)	(445.4)	-470.2	(734.8)
Income .....	(3,073.8)	(3,389.5)	(2,275.4)	(2,421.0)	(649.5)
Transfers .....	33.3	33.6	25.1	(21.3)	(47.1)
<b>Capital Account</b> .....	(793.6)	(2,369.8)	1,339.9	1,874.1	926.3
Official.....	184.2	(228.6)	545.9	42.7	13.1
State-Owned Enterprises.....	(11.2)	(11.2)	(11.2)	(11.2)	(11.2)
Private Sector .....	(966.6)	(2,130.1)	805.2	1,842.6	924.4
Errors and Omissions .....	(240.9)	4,486.5	(3,973.5)	(922.0)	(2,353.3)
<b>Overall Surplus (Deficit)</b> .....	752.7	(622.0)	786.3	1,329.6	(1,528.5)
Change in Reserves .....	(752.7)	622.0	(786.3)	(1,329.6)	1,528.5
<b>Other Items:</b>					
Exports-Energy.....	12,597.0	9,781.3	15,188.0	12,093.1	8,422.6
Non-energy .....	2,346.4	3,134.8	3,556.7	2,473.0	2,381.2
<b>Gross Official Reserves</b> .....	9,822.7	9,200.7	9,987.0	11,316.6	9,788.0
<b>Import Cover (months)<sup>(1)</sup></b> .....	13.5	10.4	12.0	12.7	11.1

Source: Central Bank of Trinidad and Tobago

P Provisional. Data for 2015 represents data reported by the Central Statistical Office for Jan-Sep 2015 and an estimate for Oct-Dec 2015 by the Central Bank of Trinidad and Tobago

(1) Import cover represents the number of months of projected imports of goods and non-factor services that gross official reserves will cover.

### Current Account

Following a surplus of 1.4% of GDP (U.S.\$377.6 million) in 2014, the external current account posted a deficit of 0.4% of GDP (U.S.\$101.2 million) in 2015. Most of this reduction was due to the merchandise trade account which was impacted by the decline in the energy sector and slow global economic recovery. A net merchandise trade balance of TT\$1,330.1 million was registered in the reference period, a deterioration of TT\$1,959.9 million when compared to the 12 months of 2014, mainly on account of depressed conditions within the energy sector. Overall, exports declined by 25.8% to total TT\$10,803.9 million when compared to 2014. The decrease was primarily a reflection of falloff in energy sector exports which declined by TT\$3,670.5 million to reach TT\$8,422.6 million in 2015. Merchandise imports of U.S.\$9,473.7 million were 16% lower than in 2014, mainly on account of 41.0% energy imports. However, non-energy imports increased to TT\$6,173.1 million from TT\$5,690.5 million in the previous year.

### Capital Account

The capital account recorded a surplus of U.S.\$926.3 million in 2015. Net foreign direct investment inflows amounted to U.S.\$582.9 million in 2015, lower than the previous year's inflows of U.S.\$1,213.8 million, primarily on account of lower reinvestments by foreign-owned energy companies. Commercial banks increased their holdings of foreign assets by augmenting their holdings of U.S. treasury bills as well as equity investments. Meanwhile, portfolio investment recorded lower outflows which amounted to U.S.\$96.1 million, following outflows of U.S.\$167.1 million in the previous year. Moreover, disbursements on central government borrowings from multilateral sources amounted to U.S.\$5.7 million, while repayments on existing external debt increased from U.S.\$15.9 million as at December 2014 to U.S.\$16.4 million as at December 2015.

### Geographic Distribution of Trade

The total volume of merchandise trade between Trinidad and Tobago and the rest of the world was on a gradual downward trend over the 2011 to 2015 period. Exports peaked in 2013, reaching U.S.\$18,744.8 million, before falling off to U.S.\$8,204.4 million in the first three quarters of 2015, due primarily to the adverse effects of the sharp decline in international energy prices. Particularly, this phenomenon led to a sharp contraction in energy

exports to U.S.\$8,422.6 million for January-September 2015, from U.S.\$12,093.1 million in 2014 and U.S.\$15,188.0 million in 2013.

The United States continued to be Trinidad and Tobago's primary export and import market during the period 2011 to 2015. The value of goods exported to the United States accounted for an average of 41.6% of total exports for the period under review. Moreover, for the first three quarters in 2015, 72.8% of the exports to the United States comprised natural gas, crude oil and gas-based petrochemicals. However, the share of natural gas exports to the United States has been falling due to their production of shale gas and has declined from 70.0% of the Trinidad and Tobago's U.S. exports in 2006 to 5.0% in 2014. For the nine months ending September 2015, natural gas exports as a percent of total exports to the U.S. stood at 8.1%. For the period January-September 2015, imports from the United States accounted for 33.3% of total imports.

The second leading export and import market for Trinidad and Tobago's exports is Central and South America. Exports to this region for January – September 2015 amounted to 24.0% of total exports, while 2014 and 2013 exports to the Central and South American region stood at 19.6% and 17.1%, respectively. In contrast, the value of imports from this region has declined over the period, reaching 13.5% of total imports for the nine-month period in 2015, compared to 18.5% and 25.9% in 2014 and 2013, respectively. The Caribbean Community (CARICOM) was Trinidad and Tobago's third largest export market during the period, even though exports to this region have been gradually declining. Exports to the CARICOM shrunk to 11.2% of total exports for the first 3 quarters in 2015, down from 13.5% and 16.5% in 2014 and 2013, respectively.

### ***Foreign Exchange Reserves***

As at December 31, 2015, gross foreign assets amounted to U.S.\$13,296.9 million, a decrease of 7.6% compared to U.S.\$14,383.3 million which was recorded as at December 31, 2014. This decline was mainly due to a decrease in the Central Bank's official reserves. With the Central Bank increasing its sales of foreign exchange to address imbalances in the foreign exchange market, the level of official reserves fell to U.S.\$9.8 billion as at December 31, 2015 from U.S.\$11.3 billion as at December 31, 2014. The decline in gross foreign assets was partly offset by an increase of 14.4% in the gross foreign position of commercial banks to U.S.\$3.5 billion as at December 31, 2015. As at May 31, 2016 gross foreign assets declined to U.S.\$12,714.1 million owing mainly to a decline in the Central Bank's official reserves as the Bank continued to increase its sale of foreign exchange in the market. The Central Bank's official reserves stood at U.S.\$9,477.5 million as at May 31, 2016. Also contributing to the decline in international reserves was a decrease of the gross foreign position of commercial banks to U.S.\$3.2 billion.

The following table sets forth Trinidad and Tobago's gross international reserves for the periods indicated:

	As at December 31,					As at May 31,
	2011	2012	2013	2014	2015	2016
	<i>(In millions of U.S. Dollars)</i>					
Central Bank - Official Reserves <sup>(1),(2)</sup> .....	9,822.4	9,200.3	9,987.0	11,316.4	9,787.5	9,476.9
Central Government holdings .....	0.3	0.4	0.0	0.2	0.6	0.6
SDR holdings .....	423.2	423.6	423.8	403.9	387.7	338.9
Gross official reserves .....	9,822.7	9,200.7	9,987.0	11,316.6	9,787.5	9,477.5
Commercial banks' gross foreign position .....	2,490.9	3,050.8	3,087.3	3,066.7	3,508.9	3,236.6
Liabilities .....	723.0	614.2	745.2	790.6	811.5	710.8
Net foreign liabilities of commercial banks .....	1,767.8	2,436.6	2,342.1	2,276.1	2,697.4	2,525.9
Gross international reserves .....	12,313.6	12,251.4	13,074.4	14,383.3	13,296.9	12,714.1

Source: Central Bank.

- (1) Trinidad and Tobago has no significant gold reserves.
- (2) The Heritage and Stabilization Fund (HSF) is now managed by an independent board of directors and as a result, will no longer be included in the Central Bank assets. For consistency, annual allocations to the HSF since its inception in 2000 are also excluded from Central Bank foreign assets.

### ***The Heritage and Stabilisation Fund***

The first sovereign wealth fund in the Caribbean region, the HSF, is one of the strategic pillars of the overall economy of Trinidad and Tobago and demonstrates Trinidad and Tobago's commitment to saving for future generations. The HSF serves two primary objectives: (1) to insulate fiscal policy and the economy from swings in international oil and gas prices; and (2) to accumulate savings from the Trinidad and Tobago's exhaustible assets of oil and gas for future generations. Although significant emphasis has been placed on the savings aspect of the HSF in practice, during the design phase, it was recognized that countries that rely on oil and other non-renewable resources for a significant share of their revenue generally have uncertain and volatile revenue streams.

The HSF was formally established in March 2007 through the HSF Act of 2007 (the "HSF Act"). The HSF Act outlined details for the establishment and management of the HSF, including guidelines for its operation, available resources and governance arrangements. The HSF Act required that 60% of the excess tax revenue from oil and gas (calculated as the difference between actual revenue and the budgeted revenue estimate) be transferred into the HSF annually. The oil and gas prices used for the budget estimate would take into account the recent price history as well as projected (future) prices obtained from international sources. Conversely, withdrawals from the HSF are permitted only if actual annual tax revenues from oil and gas are at least 10% below the budget projection for the preceding year as a whole. The amount of the withdrawal could be 60% of the shortfall, up to a maximum of 25% of the funds available in the HSF; subject to the restriction that the withdrawal is such that the HSF's balance does not fall below U.S.\$1 billion.

Over the past seven years, the major financial markets exhibited high levels of volatility as the global economic and financial crisis created an environment of heightened uncertainty. In spite of this, the HSF has performed well. The HSF's return for the year ended September 30, 2015 was 2.47%, while on an annualized basis, the HSF generated a return of 5.31% since inception. The net asset value of the HSF has increased steadily due to the positive returns and contributions made by the Central Government. At September 30, 2015, the net asset value of the HSF was U.S.\$5,655.1 million. During fiscal year 2016, positive returns were recorded for the first two quarters, increasing the HSF's net asset value at March 31, 2016 to approximately U.S.\$5.787.3 billion. To date, the Central Government has made 14 deposits to the HSF, with one withdrawal of U.S.\$375 million in May 2016.

### ***Monetary System***

From 2008 to 2012, the Central Bank and other regulatory bodies undertook several initiatives to improve the legislative and regulatory framework governing Trinidad and Tobago's financial system. In addition to the enactment of the FIA, these measures included the adoption of the Financial Intelligence Unit Act of 2009 and the Securities Act of 2012. Currently, the Central Bank is awaiting the passage of a new insurance bill, holding consultations on a new credit union bill, as well as other initiatives to ensure the continued stability of the financial system.

The following table sets forth percentage changes in the money supply at or for the dates and periods indicated.

	December 31,					March 31,
	2011	2012	2013	2014	2015	2016
Exchange Rate (TT\$/U.S.\$) <sup>(1)</sup>			<i>(In millions of T.T. Dollars unless otherwise stated)</i>			
Average .....	6.3996	6.4033	6.4155	6.3849	6.3537	6.4945
Period-End .....	6.4093	6.3814	6.4385	6.3585	6.4196	6.5661
M0 (percentage change at year end) .....	26.20	6.90	16.72	4.92	-12.02	-3.64
M1 (percentage change at year end) <sup>(2)</sup> .....	23.30	14.42	12.45	18.93	-7.26	2.84
M2 (percentage change at year end) <sup>(3)</sup> .....	13.86	10.64	8.77	13.10	-1.44	3.57
Quasi Money (percentage change) <sup>(4)</sup> .....	6.11	7.06	5.04	6.77	5.60	4.36
Commercial Banks Credit Aggregates (at year end)						
Private Sector Credit .....	41,402.27	43,010.01	45,042.88	48,311.16	51,246.37	51,739.30
Public Sector Credit <sup>(5)</sup> .....	6,877.10	7,075.26	7,578.98	9,668.75	11,388.36	11,280.78
Central Government Credit .....	9,480.32	14,808.89	14,070.55	17,156.79	14,924.71	16,130.30
Total Domestic Credit .....	47,772.10	49,472.37	52,001.34	57,401.68	62,274.58	62,673.03
Commercial Banks Deposits (at year end)						
TT\$ Deposits .....	60,096.13	65,382.68	71,318.09	79,677.62	77,682.00	79,762.08
Foreign Currency Deposits .....	19,492.47	23,450.88	21,593.73	20,945.94	22,209.34	23,659.33
Commercial Banks Total Deposits .....	81,039.34	90,443.11	94,946.92	102,598.42	102,339.50	106,142.38

Source: Central Bank.

- (1) Exchange rates are the midpoint of the buying and selling rates.
- (2) Currency in active circulation plus demand deposits.
- (3) Does not include foreign currency deposits.
- (4) Savings and time deposits.
- (5) Excludes credit of the Central Government.
- (6) Represents the average for the period January 1, 2013 to September 30, 2013.
- (7) Represents the change from December 31, 2012.

## Public Sector Finances

Trinidad and Tobago's budgets are based on a series of projections and estimates regarding Trinidad and Tobago's economy, inflation, revenues and expenditures. These budgets contain estimates of historical results and forward-looking information that involve certain risks and uncertainties. Potential risks and uncertainties include the evolution of Trinidad and Tobago's economy, the level of inflation, the level of unemployment, oil and gas prices, the level of tourism receipts, the level of tax collections, the ability of Trinidad and Tobago to control expenditures in line with its budgets and to obtain financing for any projected deficits and the occurrence of certain other events which may have a material adverse effect on Trinidad and Tobago. As a result of any of such risks and uncertainties, actual revenues, expenditures and other factors could differ materially from the projected revenues, expenditures and other factors contained in the Trinidad and Tobago's budgets. No assurances can be given that these projections will actually be achieved.

The following table sets forth GoRTT's fiscal operations for the fiscal years indicated. GoRTT includes all Ministries, Departments and Agencies whose activities form part of the budgetary operation of the central administration. The figures below include the accounts of the consolidated fund, the unemployment fund, the green fund, the gate fund, the CARICOM petroleum fund and the infrastructure development fund, but exclude the operations of state-owned enterprises and the public utilities.

	Year Ended September 30,					For the five months ended May 31,
	2011	2012	2013	2014	2015 <sup>(1)</sup>	2016 <sup>(1)</sup>
	<i>(in millions of TT dollars unless otherwise indicated)</i>					
Current revenue.....	47,213.6	49,234.5	52,258.2	57,062.2	52,226.3	25,292.7
Current expenditure.....	44,698.8	45,819.2	49,500.4	54,403.8	52,322.9	30,196.3
Current account surplus.....	2,514.8	3,415.3	2,757.8	2,658.4	(96.6)	(4,903.8)
Capital receipts.....	287.0	43.4	501.4	1,316.5	4,989.2	1,059.8
Capital expenditures and net lending	6,793.6	6,987.7	8,439.8	8,471.1	7,620.8	1,605.6
Overall surplus (deficit).....	(3,991.8)	(3,529.0)	(5,180.6)	(4,442.2)	(2,728.2)	(5,465.3)
Total financing, net.....	3,991.8	3,529.0	5,180.6	4,442.2	2,728.2	(5,465.3)
External financing, net.....	545.2	1,054.1	(155.1)	3,312.4	(155.1)	232.0
Domestic financing, net.....	3,446.6	2,474.9	5,335.7	1,129.8	2,883.3	5,697.3
Current account surplus (deficit) (expressed as a percentage of Real GDP).....	2.7	3.7	2.9	2.8	(0.1)	
Current account surplus (deficit) (expressed as a percentage of Nominal GDP).....	1.5	2.1	1.6	1.5	(0.1)	
Overall balance (expressed as a percentage of Real GDP).....	(4.4)	(3.8)	(5.5)	(4.7)	(2.9)	
Overall balance (expressed as a percentage of Nominal GDP).....	(2.4)	(2.1)	(3.0)	(2.5)	(1.7)	

Sources: Ministry of Finance — Budget Division

(1) Provisional and subject to revision.

In 2015, revenue from the petroleum sector declined by 37.9% while capital revenue increased by 27.9%. Expenditure on the other hand decreased by 4.6%. GoRTT revenue increased by 10.6% in 2014, after increasing by 7.0% in 2013. Revenue from the petroleum sector increased by 7.8% in 2014, while revenue from the non-petroleum sector increased by 12.3%. Current expenditure in 2014 increased by 9.9% over the 2013 level and capital expenditure and net lending decreased marginally by 0.3%. GoRTT recorded an overall deficit of 4.7% of GDP in 2014, indicating an improvement from the previous year's deficit of 5.5% of GDP.

In financing its fiscal operations, GoRTT is subject to various limitations on the issuance of debt instruments. These limitations include ceilings on GoRTT's overdraft account at the Central Bank, the issuance of bonds in both the domestic and foreign markets and the issuance of Treasury bills and notes. As a consequence, the borrowing limits under the Development Loans Act, Chapter 71:04, and the External Loans Act, Chapter 71:05, both of which provide for GoRTT borrowing, were increased to TT\$45 billion and TT\$30 billion, respectively, for fiscal 2016. The statutory limits under the Guarantee of Loans (Companies) Act, Chapter 71:82, which covers all state enterprises' government guaranteed borrowings, were also increased in 2016 to TT\$45.0 billion.

## Budget Summary

Trinidad and Tobago's fiscal year 2016 Budget, covering the period October 1, 2015 to September 30, 2016 was predicated on oil and gas price assumptions of U.S.\$45 per barrel and U.S.\$2.75 per million British thermal units ("mmbtu") respectively.

For fiscal 2016, GoRTT revenue is estimated at TT\$60,286.4 million, with the major contributor being taxes on Income and profits, estimated at TT\$23,069.2 million.

Expenditure is targeted at TT\$63,048.7 million, with 36.2% being allocated to Current Transfers, which includes transfers to households. Transfers to households encompasses Old Age Assistance Grants, public officers'

pensions and gratuities and payments to tertiary level students under the GATE. In addition, projected transfers to state enterprises are estimated at TT\$2,417.4 million, while capital expenditure is estimated at TT\$7,000.0 million.

The overall deficit for fiscal year 2016 is estimated at 1.81% of GDP, or TT\$2,762.3 million, which will be funded from both external and domestic sources. GDP for calendar year 2016 is forecasted at TT\$152,275.0 million.

<b>Summary of 2016 Budget Estimates</b>	<b>(in millions of TT dollars)</b>
<b>Revenue.....</b>	<b>60,286.4</b>
<b>Current.....</b>	<b>50,708.5</b>
of which	
Taxes on Income and Profits .....	23,069.2
Taxes on Goods and Services .....	14,278.1
Taxes on International Trade .....	2,847.8
Non-Tax Revenue .....	8,722.7
<b>Capital .....</b>	<b>9,577.9</b>
<b>Expenditure .....</b>	<b>63,048.7</b>
<b>Current.....</b>	<b>56,048.7</b>
of which	
Personnel Expenditure .....	13,210.6
Interest Payments .....	3,129.2
Current Transfers .....	22,862.2
<b>Capital .....</b>	<b>7,000.0</b>
<b>Surplus (Deficit) .....</b>	<b>(2,762.3)</b>
Domestic .....	1,595.8
External .....	1,166.5

Source: Ministry of Finance — Budget Division.

### **2016 Mid-Year Outturn**

For the period of October 2015 to March 2016, an overall deficit of TT\$5,363.4 million was projected on Central Government fiscal operations. However the actual outturn was a deficit of TT\$3,142.8 million, some TT\$2,220.6 million better than the projected outcome. This was as a result of a lower than projected expenditure of TT\$9,966.5 million, offset by a lower than projected revenue of TT\$7,745.9 million.

The decline in revenue is mainly reflective of the fall in oil and gas prices on the global market and the deferral of the sale of shares in Methanol Holding International Limited (MHIL) to the next fiscal year. Oil and Gas prices were budgeted at U.S.\$45 per barrel and U.S.\$2.75 per mmbtu respectively. However the average oil price for the first six months of fiscal 2016 was U.S.\$37 per barrel while the average gas price was U.S.\$2.00 per mmbtu.

Expenditure fell below the targeted level because of administrative delays, underspending within the Public Sector Investment Program as well as cut backs in spending in discretionary areas, including the 7% cut in operational expenditure by all Ministries.

Following the 2016 Mid-Year Budget Review exercise, the revised estimate for current revenue is TT\$52,677.2 million, with government expenditure expected to be contained to TT\$60,440.4 million, resulting in an expected fiscal deficit for fiscal year 2016 of TT\$7,763.2 million. The fiscal outturn is predicated on a downward revision of oil and gas prices of U.S.\$35 per barrel and U.S.\$2.00 per mmbtu, respectively.

## Current Revenues

The following table sets forth the GoRTT's current revenue for the fiscal years indicated.

	Year Ended September 30,					For the five months ended May 31,
	2011	2012	2013	2014	2015 <sup>1</sup>	2016
Petroleum Sector			<i>(in millions of TT dollars)</i>			
Oil Companies (SPT/PPT/PSC's) <sup>(2)</sup>	16,022.5	15,826.8	14,771.8	16,969.5	10,512.7	526.8
Withholding Tax	179.6	162.5	132.7	141.2	160.0	101.2
Royalties on Oil	2,415.2	2,448.5	2,379.6	2,399.2	1,100.7	405.5
Share of Profits <sup>(3)</sup>	-	-	800.0	-	450.0	500.0
Oil Impost	117.9	95.6	105.3	119.7	132.5	90.5
Signature Bonuses-Competitive Bidding	171.3	19.2	1.8	-	-	-
Unemployment Levy (Oil)	1,240.2	1,259.2	1,162.6	1,240.2	600.9	40.7
Petroleum Sector	20,146.7	19,811.8	19,353.8	20,869.8	12,956.8	1,664.7
Non-Petroleum Sector						
Non-Petroleum Revenues ( <i>current</i> )	27,102.2	29,454.7	32,927.0	36,210.7	39,297.2	23,628.0
Capital Revenues and Grants	287.0	43.4	501.4	1,316.5	4,989.2	1,059.8
Gross Revenues and Grants	47,213.6	49,234.5	52,258.2	57,062.2	52,226.3	30,196.5
Repayment of Past Lending <sup>(4)</sup>	35.3	32.0	22.1	18.3	27.7	15.7
<b>Total Current Revenue Net Repayment of Past Lending</b>	<b>47,213.6</b>	<b>49,234.5</b>	<b>52,258.7</b>	<b>57,062.2</b>	<b>52,226.3</b>	<b>25,277.0</b>

Source: Ministry of Finance — Budget Division.

- (1) Provisional and subject to revision.
- (2) SPT-Supplemental Petroleum Tax/PPT-Petroleum Profits Tax/PSC-Production Sharing Contracts.
- (3) Share of profits represents deposits made from residual balances available after the Central Government has remitted taxes on behalf of the oil companies.
- (4) Repayment of past lending represents money loaned to regional countries that is currently being repaid by these countries.

For the fiscal year 2014, the GoRTT's revenue increased to TT\$57,062.2 million, representing an increase of TT\$5,614.8 million over the previous fiscal year. However, revenue from the petroleum sector increased marginally by TT\$1,516.0 million to TT\$20,869.8 million in 2014, largely due to output shortfalls from maintenance-related outages, while revenue from the non-petroleum sector increased by TT\$5,614.8 million to TT\$57,062.2 million, driven mainly by increased tax collections from non-energy companies, individuals, import duties, increased profits from State Enterprises and Water Improvement rates.

In fiscal 2015, revenue decreased by U.S.\$1,153.8 million as compared with fiscal 2014. Petroleum revenue collections were TT\$7,913.0 million lower than in fiscal 2014 as a result of the fall in oil and gas prices on the global market. With respect to the volume of production of Exploration and Production companies, the gas and oil volumes decreased by 9,859,055 per mmbtu and 1,747,923 barrels, respectively. However, increased collections from the non-petroleum sector partly offset the decrease in petroleum revenue.

GoRTT collected TT\$26,352.5 million for the first eight months of fiscal 2016. Revenue from the petroleum sector amounted to TT\$1,664.7 million while TT\$24,687.8 million was received from the non-petroleum sector. Production levels were down while expenditures in the petroleum sector remained steady, further reducing petroleum-related revenue for the government.

## Current and Capital Expenditures

The following table sets forth GoRTT's expenditure for the fiscal years indicated.

	Year Ended September 30,				
	2011	2012	2013	2014	2015 <sup>(1)</sup>
	<i>(in millions of TT dollars)</i>				
<b>Current Expenditures</b>					
Wages and salaries .....	7,179.7	7,282.3	9,171.5	8,590.8	10,077.3
Goods and services .....	6,504.3	7,061.6	7,180.1	8,008.8	8,105.3
Interest .....	2,866.4	2,937.1	2,808.7	3,122.6	3,438.4
Transfers and subsidies .....	27,989.4	28,538.2	30,340.1	34,664.1	30,701.9
Acquisition of physical capital assets .....	159.0	-	-	17.5	-
<b>Current Expenditures .....</b>	<b>44,698.8</b>	<b>45,819.2</b>	<b>49,500.4</b>	<b>54,403.8</b>	<b>52,322.9</b>
<b>Capital Expenditures and Net Lending<sup>(2)</sup> .....</b>	<b>6,793.6</b>	<b>6,987.7</b>	<b>8,439.8</b>	<b>8,417.1</b>	<b>7,620.8</b>
<b>Total Expenditures .....</b>	<b>51,492.4</b>	<b>52,806.9</b>	<b>57,940.2</b>	<b>62,820.9</b>	<b>59,943.7</b>

Source: Ministry of Finance — Budget Division.

(1) Provisional and subject to revision.

(2) Includes adjustment for repayment of past lending.

During fiscal year 2014, total expenditure increased by 8.4% or TT\$4,880.7 million to TT\$62,820.9 million over the previous fiscal year. Of the total amount spent in 2014, current expenditure accounted for 86.6% or TT\$54,403.8 million, while capital expenditure/net lending accounted for TT\$8,417.1 million. Current expenditure increased by TT\$4,903.4 million, an increase of 9.9% from fiscal year 2013.

For the 2015 fiscal year, there was a decrease in current expenditure of TT\$2,080.9 million or 3.8% below the 2014 level while capital spending decreased by TT\$796.3 million or 9.5%.

## Domestic Financing

The following table sets forth GoRTT's total domestic debt (excluding contingent liabilities) outstanding as of the dates indicated:

	As of September 30,					
	2011	2012	2013	2014	2015	2016 <sup>E</sup>
	<i>(in millions of TT dollars unless otherwise indicated)</i>					
Debt management bills/notes .....	800.0	800.0	800.0	800.0	800.0	800.0
CLICO STIPs rights purchase <sup>(1)</sup> .....	0.0	9,173.6	5,240.7	4,763.4	4,284.1	3,547.3
HCU Zero Coupon Bonds <sup>(2)</sup> .....	0.0	0.0	0.0	0.0	304.3	322.5
National tax free bonds .....	1.8	1.8	1.8	1.8	1.8	1.8
Development bonds/notes .....	17,947.9	21,264.3	27,973.3	26,456.1	28,132.8	30,759.8
Public sector arrears .....	8.7	8.7	8.7	8.7	8.7	8.7
Treasury bonds <sup>(3)</sup> .....	0.0	0.0	0.0	2,572.0	2,559.3	2,559.3
Open market operations .....	19,150.0	18,930.0	19,200.0	21,000.0	34,235.7	28,019.4
BOLTS <sup>(4)</sup> and leases .....	544.7	471.2	395.0	319.1	243.8	196.1
Central Bank fixed interest bonds .....	6.2	6.2	6.2	6.2	6.2	6.2
<b>Total Domestic Debt .....</b>	<b>38,636.2</b>	<b>50,832.7</b>	<b>53,802.7</b>	<b>56,104.3</b>	<b>70,753.5</b>	<b>66,397.9</b>

Source: Ministry of Finance.

E Estimated as at March 31, 2016.

(1) CLICO Short Term Investment Products (STIPs).

(2) Funds raised for repayment to policyholders of the Hindu Credit Union (HCU).

(3) Consists of Treasury Bonds issued under the Treasury Bond Act, Chapter 71:43.

(4) Build Own Lease Transfer Projects.

GoRTT's total domestic debt was TT\$70,753.5 million at September 30, 2015, representing an increase of 26.1% from total domestic debt at September 30, 2014. This increase in total domestic debt was primarily due to the issuance of OMO's in the amount of TT\$13,200 million, in fiscal 2015 also contributing to this increase was the issuance of four bonds totaling TT\$3.1 billion, which was used to finance the fiscal 2015 year budget and two borrowings totaling U.S.\$106.3 million was utilized to purchase naval vessels on behalf of the Coast Guard.

GoRTT's total domestic debt is estimated to be TT\$66,397.9 million at June 30, 2016, representing a decrease of 6.6% from total domestic debt at September 30, 2015. The decrease in total domestic debt is primarily due to the maturity of five bonds totaling TT\$1,967.7 million and U.S.\$75 million respectively.

In fiscal year 2015, an aggregate principal amount of TT\$3,873.9 million of the zero coupon bonds series issued in fiscal year 2012 was redeemed as policy-holders exchanged their bonds for shares in the CLICO Investment Fund. Also in fiscal 2015, the Government issued a twenty year zero coupon bond to purchase rights of the Hindu Credit Union Shareholders/ depositors with balances in excess of TT\$75,000.

### Public Sector External Debt

The following table sets forth Trinidad and Tobago's total public sector external debt for the fiscal years indicated.

	Year Ended September 30,					
	2011	2012	2013	2014	2015	2016 <sup>(1)</sup>
	<i>(in millions of U.S. dollars unless otherwise indicated)</i>					
<b>Public Sector</b>						
Central Government <sup>(2)</sup> .....	1,481.20	1,653.1	1,435.0	1,975.7	1,954.3	2,155.48
State-Owned Enterprises and Utilities <sup>(3)</sup> .....	505.9	465.4	424.8	369.3	325.5	246.59
<b>Total Public Sector External Debt.....</b>	<b>1,987.1</b>	<b>2,118.60</b>	<b>1,859.8</b>	<b>2,345.0</b>	<b>2,279.8</b>	<b>2,402.9</b>
Public Sector External Debt/GDP <i>(expressed as a percentage of Nominal GDP)</i> .....	7.80%	8.21%	8.20%	8.60%	8.8%	n.a.
Public Sector External Debt/Exports of Goods and Services <sup>(4)</sup> .....	13.30%	16.40%	9.90%	16.10%	21.10%	n.a.

Source: *Central bank of Trinidad and Tobago, Ministry of Finance and the Central Statistical Office.*

(1) Estimated figures for the period between October 1, 2015 and June 30, 2016.

(2) GoRTT debt includes three renminbi-denominated concessional loan facilities established in 2006, 2011 and 2013, in the amounts of CNY 812 million, CNY 207 million and CNY 990 million, respectively.

(3) Excludes non-guaranteed state enterprise debt.

(4) The total debt service ratio is the portion of the Trinidad and Tobago's earnings from the export of goods that is required to pay principal and interest on the total external debt of the Trinidad and Tobago due in a defined period. The amount of total exports for each fiscal year was used to calculate the debt service ratio. Exports for each of the fiscal years 2011, 2012, 2013, 2014, and 2015 were U.S.\$ 14,943.40 million, U.S.\$ 12,916.10 million, U.S.\$ 18,744.80 million, U.S.\$ 14,566.10 million, and U.S.\$ 10,803.90 million, respectively.

At September 30, 2015, total public sector external debt was estimated at U.S.\$2,279.8 million, which represents an increase of 2.5% over total public sector external debt at September 30, 2014. The total public sector external debt, which represented 8.57% of GDP in 2014, increased to 9.24% of GDP in 2015. The ratio of the public sector external debt to exports of goods and services increased from 16.1% in fiscal year 2014 to 22.24% in fiscal year 2015. GoRTT-guaranteed external debt, which fluctuated over the period from 2011 to 2014, declined by 11.86% in 2015 from the previous period.

The following table sets forth the public sector external debt by creditor composition for the fiscal years indicated.

	As at September 30,					As at
	2011	2012	2013	2014	2015	March 31,
			(in millions of U.S. dollars)			2016
<b>Official Creditors.....</b>	<b>845.2</b>	<b>806.3</b>	<b>861.3</b>	<b>900.5</b>	<b>946.1</b>	<b>926.2</b>
Multilateral .....	734.3	704.0	694.6	703.0	697.9	682.0
Bilateral .....	110.9	102.3	166.7	197.5	248.2	244.2
<b>Private Creditors .....</b>	<b>860.0</b>	<b>670.4</b>	<b>1,211.2</b>	<b>1,214.8</b>	<b>1,182.3</b>	<b>1,182.3</b>
Commercial Banks .....	71.5	61.6	22.4	17.6	12.7	12.7
Export Credit .....	288.5	108.8	139.9	148.3	120.7	120.7
Bondholders.....	500.0	500.0	1,048.9	1,048.9	1,048.9	1,048.9
Other .....	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total .....</b>	<b>1,705.2</b>	<b>1,476.7</b>	<b>2,072.6</b>	<b>2,115.4</b>	<b>2,128.4</b>	<b>2,108.5</b>

Source: Central Bank of Trinidad and Tobago.

At March 31, 2016, 56.1% of total GoRTT external debt was held by private creditors. Official creditors accounted for the remaining 43.9% (U.S.\$926.2 million) of total external debt. The external debt of Trinidad and Tobago was primarily denominated in U.S. dollars (82.5%). However, Trinidad and Tobago also had external debt denominated in other currencies, such as the Chinese renminbi (7.5%), the Yen (4.7%) and the Euro (4.3%).

### Debt Relief

Over the last 20 years, Trinidad and Tobago has sought neither debt forgiveness nor debt relief by way of deferral of interest payments on its outstanding loans. Trinidad and Tobago has always paid, in accordance with their original terms, the principal and interest due on its international capital markets issuances, and successive governments have always duly honored the commitments and obligations of previous administrations.

### External Debt Service

The following table sets forth Trinidad and Tobago's total external debt service for each of the fiscal years indicated.

	Year Ended September 30,				
	2011	2012	2013	2014	2015
			(in millions of U.S. dollars unless otherwise indicated)		
Principal.....	98.64	111.14		81.70	85.30
Interest .....	253.04	262.00	59.8	94.2	83.4
Total external debt service .....	351.67	373.14	187.1	176.0	168.7
Export of goods and services .....	14,943.40	12,916.10	20,148.3	16,316.2	12,996.5
<b>Total debt service/export of goods and service .....</b>	<b>2.35%</b>	<b>2.89%</b>	<b>0.93%</b>	<b>1.08%</b>	<b>1.30%</b>

Source: Ministry of Finance.

During fiscal year 2015, principal repayments by GoRTT totaled U.S.\$85.68 million, compared to U.S.\$81.59 million for fiscal year 2014. Interest payments made by GoRTT during fiscal year 2015 totaled U.S.\$189.47 million, representing a 6.82% decrease over fiscal year 2014. Total debt service payments totaled U.S.\$275.15 million in fiscal year 2015, which was U.S.\$9.78 million lower than in fiscal year 2014. The debt service ratio showed a marginal increase from 1.96% in 2014 to 2.55% in 2015.

The following table sets forth the Trinidad and Tobago's projected external debt service payments for each of the fiscal years ended September 30, 2014 through 2023, based on the total external debt outstanding at September 30, 2015, as adjusted for funds committed and expected to be drawn over the period. The projections are based on the assumption that the interest rates as of the last interest payment dates will continue to be in effect until the respective maturity dates of the debt instruments, not giving effect to this offering. These projections may change, as interest and exchange rates fluctuate considerably, and any change may be material.

	Year Ended September 30,							
	2016	2017	2018	2019	2020	2021	2022	2023
	<i>(in millions of U.S. dollars)</i>							
Principal.....	86.8	89.1	121.6	118.5	373.5	115.7	110.8	106.5
Interest .....	<b>87.1</b>	<b>90.9</b>	<b>92.5</b>	<b>89.3</b>	<b>86.6</b>	<b>59.4</b>	<b>57.1</b>	<b>54.8</b>
<b>Total debt service .....</b>	<b>173.9</b>	<b>180.0</b>	<b>214.1</b>	<b>207.8</b>	<b>460.1</b>	<b>175.1</b>	<b>167.9</b>	<b>161.3</b>

*Source: Ministry of Finance; Central Bank.*

It is expected that external financing will continue to contribute to gross capital formation over the medium-term. It is also expected that one (1) major source of financing will be the IDB. Other sources are expected to include the international capital markets and government-to-government arrangements.

## MANAGEMENT

### Directors and Senior Management

The following table sets forth information regarding our directors as of the date of this offering memorandum.

Name	Position	Age	Held Since	Term Expires
David D'Andrade	Chairman	69	2011	February 8, 2017
Phil Achan	Director	54	2011	February 8, 2017
Soraya Nanan	Director	42	2011	February 8, 2017
Selvon Ramroop	Director	53	2011	February 8, 2017
Ian Anthony	Corporate Secretary	60	2011	February 8, 2017

The following table sets forth information regarding our senior management as of the date of this offering memorandum.

Name	Position	Held Since
Namdeo Boodram	Chief Executive Officer	2015
Nigel Chinapoo	Chief Financial Officer	2015
Ian Anthony	Corporate Secretary	2011
Hardeo Bahall	Plant Manager	2015
Saira Samlal-Ramlogan	Corporate Services Manager	2015
Carl Sookraj	Operations Team Leader	2012
Curtis Bipat	Maintenance Team Leader	2011
Kirsten Meighu	HSE Team Leader	2011

Our business address is the business address of all of our directors and senior management.

### Biographies of our Directors and Senior Management

*David D'Andrade.* Mr. D'Andrade is a certified engineer and holds a bachelor's degree with honors in electrical engineering and master's degree in power systems from The University of the West Indies, St. Augustine. With over 45 years of experience in the industry, he brings to the organization a significant track record in high level operational stability and maintenance of safety and environmental standards in each of his prior positions. He has built a strong reputation steering organizations through periods of increased plant operations, harnessing skills among a highly motivated team of individuals. His experience includes roles in start-up management for a gas turbine power plant, a urea plant and several ammonia plants. Mr. D'Andrade has served as Chairman of the Board of Directors of TGU since 2011.

*Phil Achan.* Mr. Achan holds an associate's degree in project management and an engineering technician diploma in advanced electrical engineering from the Technical Institute. He also holds a master's degree in project management from Carnegie Mellon University, as well as certificates in construction management, leadership management, HSE management and finance from the Project Management College. He has over 30 years of experience in several sectors including energy, business, regulatory oversight, human resources and corporate strategy. He is responsible for oversight of the Health, Safety and Environment (HSE), Audit and the Finance & Investment Committees and is a member of the Tenders and Contracts Committee and the Operations Committee. He has served on the Board of Directors of TGU since 2011.

*Soraya Nanan.* Ms. Nanan holds a bachelor of laws with second class honors from the University of London and a legal education certificate from the Hugh Wooding Law School. She is a member of the Human Resources Committee and oversees and is the chairperson of the Corporate Social Responsibility Committee (CSR). Ms. Nanan has over twelve years of experience in the legal field. Ms. Nanan has served on the Board of Directors of TGU since the commencement of its commercial operations in 2011.

*Selvon Ramroop.* Mr. Ramroop holds a bachelor's degree with honors in electronics and telecommunications from the University of the West Indies and a master's degree in electronics, telecommunications and software engineering from the Anglia Ruskin University. He is a member of TGU's Community Relations Committee and oversees the IT Steering Committee and the Human Resources Committee, which he also chairs. He has 32 years of experience in the ICT industry in a number of sectors including leadership positions in telecommunication, petroleum and technology companies. Mr. Ramroop has served on the Board of Directors of TGU since 2011.

*Namdeo Boodram.* Mr. Boodram holds a bachelor's degree in mechanical engineering, a master's degree in production engineering and management from The University of the West Indies in St. Augustine, and a diploma in management from Henley Management College in the United Kingdom. Mr. Boodram has over 32 years of experience in the electric power generation industry. He is a member of the ASME and has worked in a number of positions including operations, maintenance and strategic management in power generation companies, including as plant manager at TGU. He is responsible for planning, directing, controlling and reporting on TGU's operations regarding compliance with institutional, regulatory and governmental requirements. He has successfully held top management positions at three of the five major power plants in Trinidad and Tobago. Mr. Boodram has served as Chief Executive Officer of TGU since 2015.

*Ian Anthony.* Mr. Anthony holds a bachelor of laws degree with honors from the University of Wolverhampton, United Kingdom and a master's degree in laws with distinction from the Centre for Energy Petroleum Mineral Law and Policy at Dundee, Scotland in international transactions and international commercial arbitration from the University of Edinburgh in Scotland. Mr. Anthony also holds several certificates in natural gas and power transactions. He has over 30 years of experience in the power generation industry. He has served as an independent director on the board of a publicly listed Canadian petroleum company. Prior to being appointed as Corporate Secretary at TGU, Mr. Anthony practiced as an attorney. Mr. Anthony served as Assistant Corporate Secretary for three years, and has served as the Corporate Secretary since 2011.

*Nigel Chinapoo* Mr. Chinapoo has a bachelor's degree with honors in economics and mathematics from The University of the West Indies and is a fellow of the Association of Chartered Certified Accounts (ACCA) UK and the Institute of Chartered Accountants of Trinidad and Tobago (ICATT). He holds the position of Chief Financial Officer of TGU with responsibility for the finance, accounting, materials management and information technology operations of the business. He has over 20 years of experience in these fields. He has added to TGU's wealth of expertise in finance, systems design, quality assurance, mergers and consolidations having worked regionally and internationally in the banking and, financial service sectors of both corporates and conglomerates. Mr. Chinapoo has served as Chief Financial Officer of TGU since 2015.

*Hardeo Bahall.* Mr. Bahall holds a bachelor's degree in mechanical engineering from The University of the West Indies, St. Augustine and a master's degree in business administration from the Heriot Watt University of Scotland. He has 30 years of experience in the power generation industry in Trinidad and Tobago. He brings to the role a wealth of expertise in crisis management on outages of large industrial gas turbines (Siemens, ABB & GE), generators, transformers and auxiliary equipment. Previously, he was the Planning and Logistics Team Leader at TGU. Mr. Bahall has served as Plant Manager of TGU since 2015.

*Saira Samlal-Ramlogan.* Ms. Samlal-Ramlogan holds a bachelor's degree in social sciences from The University of the West Indies with minors in human resource management, economics and sociology and has participated in certified post graduate programs. Ms. Samlal-Ramlogan is a member of the Chartered Institute of Personnel and Development in the United Kingdom, the Society for Human Resource Management in the United States and the Human Resource Management Association of Trinidad and Tobago. She has over 20 years of experience in the operational and strategic aspects of human resource management and administration. Previously, she was a human resource consultant for TGU. She is responsible for managing all operational and strategic human resource systems, community affairs and communications. Ms. Samlal-Ramlogan has served as Corporate Services Manager of TGU since 2015.

*Carl Sookraj.* Mr. Sookraj holds a bachelor's degree in mechanical engineering from The University of the West Indies, St. Augustine and a master's degree in business administration from the Heriot Watt University of Scotland. He has over 17 years of experience in the power generation industry in Trinidad and Tobago, including

serving as the Project Engineer for TGU. Since his appointment, Mr. Sookraj has been responsible for the improvement of overall plant efficiency. Mr. Sookraj has served as Operations Team Leader for TGU since 2012.

*Curtis Bipat.* Mr. Bipat holds a bachelor's degree in mechanical engineering from Mechanical Engineering from The University of the West Indies, St. Augustine and holds a master's degree in business administration from the Heriot Watt University of Scotland. He has 31 years of experience in the power generation industry in Trinidad and Tobago. His oversight of the maintenance team is vital to the performance of the Plant, reinforced by his lengthy background in the power generation industry and professional and academic training. Mr. Bipat has served as the Maintenance Team Leader for TGU since 2011.

*Kirsten Meighu.* Ms. Meighu holds a bachelor's degree in chemistry from the University of Central Florida and a masters' degree in engineering management from The University of the West Indies, St. Augustine. She has over 20 years of experience in the health, safety and environment (HSE) field, and 15 of those 20 years have been in the power generation industry in Trinidad and Tobago. Ms. Meighu is responsible for ensuring the focus on health, safety and the environment at TGU through the development and implementation of HSE programs to mitigate risk. She ensures compliance with HSE legislation and adherence to HSE policies and procedures. Ms. Meighu has served as the HSE Team Leader of TGU since 2011.

## **Board Practices**

The members of our Board of Directors are elected by the general meeting of the shareholder for the period from the date on which they are elected until the close of the next annual meeting of the shareholder, with the possibility of reelection. Our Board of Directors is currently comprised of 4 members. The current members of the Board of Directors have been reappointed annually since 2011. Each member of the Board of Directors has a fiduciary duty to the Company. See “—*Ethical Guidelines*”.

Our Board of Directors conducts regular ordinary meetings and extraordinary meetings whenever considered convenient or necessary, as called by any director or the corporate secretary. Resolutions of the Board of Directors are passed by a majority of its members, and in case of a deadlock, the Chairman's vote determines the result.

## **Compensation of Directors**

Since July 2013, the Board of Directors has approved with shareholder's consent the payment of a director's fee per annum of TT\$7,500 to the Chairman and TT\$3,500 to the other members of the Board of Directors, as well as a nominal travel stipend provided to the Chairman and each director. The Board of Directors may approve from time to time a bonus in addition to their paid salary.

## **Ethical Guidelines**

Our Board of Directors have a duty of care to the Company that mandates a commitment to, and other requirements in connection with, ethical issues relevant to business practices and personal conduct based on the provisions of the Trinidad and Tobago Companies Act.

## RELATED PARTY TRANSACTIONS

We are party to numerous related party transactions with certain of our affiliates. In the ordinary course of business, TGU enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies and entities directly and indirectly owned or controlled by the GORTT, our controlling shareholder.

Any outstanding balances resulting from related party transactions at year-end are unsecured and free of interest, and settlement of such balances occurs in cash.

We believe that we have complied and are in compliance in all material respects with the requirements of the relevant provisions of Trinidad and Tobago law governing related party transactions with respect to all of our transactions with related parties.

Below is a summary of amounts due to our affiliates as of June 30, 2016 and 2015, and December 31, 2015, 2014 and 2013:

	As of June 30,		As of December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
Government of the Republic of Trinidad and Tobago.....	59	59	59	59	59
National Energy Corporation <sup>(1)</sup> .....	-	322	322	322	322
Union Estate Electricity Generation Company Limited <sup>(2)</sup> .....	228,023	568,023	238,023	568,023	569,545
<b>Total</b> .....	<u>228,082</u>	<u>568,404</u>	<u>238,404</u>	<u>568,404</u>	<u>569,926</u>

(1) National Energy Corporation is a related party because we share the same controlling shareholder.

(2) The amount due to UEEGCL is unsecured, interest free and is expected to be settled upon consummation of the issuance of the notes. Short term financing of U.S.\$300,000 thousand and internal cash funding of U.S.\$30,000 thousand was used to repay a portion of the amounts due to UEEGCL in 2015.

The table below presents additional transactions with our affiliates for the six month periods ended June 30, 2016 and 2015 and for the years ended December 31, 2015, 2014 and 2013:

	Six Month Period Ended June 30,		Year Ended December 31,		
	2016	2015	2015	2014	2013
	<i>(in thousands of U.S. Dollars)</i>				
<b>Due from related parties</b>					
Trinidad and Tobago Electricity Commission .....	19,929	220,657	10,674	186,115	100,191
<b>Purchases from related parties</b>					
National Energy Corporation of Trinidad and Tobago <sup>(1)</sup> .....	167	167	334	334	334
<b>Sales to related parties</b>					
Trinidad and Tobago Electricity Commission .....	51,845	50,818	105,417	105,720	104,592
<b>Compensation of key management personnel</b>					
Short-term employee benefits <sup>(2)</sup> .....	(553)	(624)	(1,172)	(856)	(742)

(1) Represents amounts due under an operating lease with National Energy Corporation of Trinidad and Tobago.

(2) Represents the amount expensed during the respective year for short-term employee benefits. We consider “key management personnel” to be the persons having authority and responsibility for planning, directing and controlling the activities of TGU. Such remuneration is reflected in administration expenses as included in the statements of comprehensive income.

## DESCRIPTION OF THE NOTES

The notes will be issued under an indenture to be dated as of the Issue Date (the “Indenture”) among us, U.S. Bank National Association, as trustee (the “Trustee”), registrar, principal paying agent and transfer agent, and Clifford Chance Pte. Ltd., as Singapore listing agent. The following description of certain provisions of the notes and the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all the terms and conditions of the notes and the Indenture. Copies of the Indenture are available at the Issuer’s principal executive offices, as well as at the offices of the Trustee in New York City and, for so long as the notes are listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and the rules of the SGX-ST so require, at the office of the listing agent in Singapore.

In this section of the offering memorandum, the term “Issuer” refers to Trinidad Generation Unlimited. As used herein, the term “Holder” means the person in whose name a note is registered in the register for the notes (the “Register”). You will find definitions of certain other capitalized terms used in this section under “—Certain Definitions.”

### General

The Issuer will initially issue notes in an aggregate principal amount of U.S.\$600,000,000. The Issuer may, without notice to or the consent of the Holders, issue additional notes of the same series under the Indenture on the same terms and conditions (except for the issue date, issue price and first payment date) as the notes being offered hereby in an unlimited aggregate principal amount (the “Additional Notes”); provided, however, that unless such Additional Notes are issued under a separate CUSIP number, such Additional Notes must be fungible with the notes for U.S. federal income tax purposes. The notes and the Additional Notes, if any, will be treated as a single series for all purposes under the Indenture, including waivers and amendments. Unless the context otherwise requires, in this section, references to the notes include any Additional Notes actually issued.

The notes will mature on November 4, 2027. The notes will accrue interest at a rate of 5.250% per year. Interest on the notes will be payable semi-annually in arrears on May 4 and November 4 of each year, commencing on May 4, 2017 (each, a “Payment Date”). Interest on the notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The principal amount of the notes will be payable in six consecutive equal semi-annual installments of U.S.\$100,000,000, commencing on May 4, 2025, the Payment Date that is five scheduled Payment Dates prior to maturity and on each Payment Date thereafter until (and including) the date of maturity. The final installment of the principal will, in any event, equal the then outstanding aggregate principal balance of the notes and will be payable together with the accrued and unpaid interest thereon and any other amounts then owing by the Issuer under the notes.

### Ranking

The notes will be the Issuer’s direct, unconditional and general senior unsecured and unsubordinated obligations, and will at all times:

- rank *pari passu* in right of payment with all of the Issuer’s existing and future senior unsecured and unsubordinated Indebtedness;
- rank senior in right of payment to all of the Issuer’s existing and future Indebtedness subordinated to the notes (if any);
- rank effectively junior to any existing and future secured obligations of the Issuer and its subsidiaries, in each case, to the extent of the value of the collateral securing such obligations; and
- rank effectively junior to any debt, preferred stock obligations and other liabilities of the Issuer’s subsidiaries, if any.

As of June 30, 2016, the Issuer's total indebtedness outstanding on a nominal basis was U.S.\$522,660 thousand, of which U.S.\$294,578 thousand was secured. As of June 30, 2016, after giving pro forma effect to the sale of the notes offered hereby and the use of proceeds therefrom as described under "*Use of Proceeds*", the Issuer's total indebtedness outstanding on a nominal basis was U.S.\$600,059 thousand, of which U.S.\$0 was secured.

### **Payments on the Notes**

All payments on global notes will be made to the relevant depository or its nominee by wire transfer. Payments on any certificated, non-global notes may be made at the corporate trust office of the Trustee. Alternatively, the Issuer may choose to pay such amounts in respect of certificated, non-global notes by (i) check mailed or delivered to the address of the person entitled thereto at the address appearing in the Register or (ii) wire transfer to an account located in the United States as specified by the person entitled thereto.

By 12:00 noon (New York time), at least one Business Day prior to each due date of principal and/or interest on a note, the Issuer shall deposit with the Trustee or a paying agent, as applicable, a sum sufficient to pay such principal and/or interest. If any payment in respect of a note is due on a date that is not a Business Day, then such payment need not be made on such date but may be made on the next succeeding day that is a Business Day, with the same force and effect as if made on the date for such payment, and no interest will accrue for the period from and after such date. "Business Day" means a day other than a Saturday, Sunday or any day on which banking institutions are authorized or required by law to close in The City of New York, New York or the country of Trinidad and Tobago.

Payments of principal and/or interest will be made to the person in whose name a note is registered at the close of business on April 19 or October 20 (each a "Record Date"), as the case may be, immediately preceding a Payment Date. Notwithstanding the foregoing, any principal and/or interest which is payable, but which is not punctually paid or duly provided for, on any Payment Date ("Defaulted Interest") will cease to be payable to the Holder registered on such date, and will be payable, at the election of the Issuer to the person in whose name such note is registered at the close of business on a special record date to be fixed by the Trustee not more than 15 nor less than 10 days prior to the date fixed by the Issuer for payment thereof.

### **Registrar, Paying Agent and Transfer Agent for the Notes**

The Trustee will initially act as registrar and New York paying agent and transfer agent. So long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will also maintain a paying agent and transfer agent in Singapore. The Issuer may change the registrar, paying agents or transfer agents without prior notice to the Holders of the notes, and the Issuer or any of its Subsidiaries may act as registrar, paying agent or transfer agent. Any change in respect of such agents will be published in accordance with "*Notices*."

### **Additional Amounts**

All payments of principal, premium, if any, and interest in respect of the notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or similar governmental charges ("Taxes") imposed, levied, collected, withheld or assessed by or within Trinidad and Tobago or any jurisdiction where the Issuer is incorporated or resident for tax purposes or any other jurisdiction in which a paying agent is located, or by or within any political subdivision thereof or any authority therein or thereof having power to tax (including, for the avoidance of doubt, any successor jurisdiction pursuant to "*Covenants—Consolidation, Merger, Sale or Conveyance*" below) (each, a "Relevant Taxing Jurisdiction"), unless such withholding or deduction is required by law or by the interpretation or administration thereof. In the event of any such withholding or deduction of such Taxes, the Issuer will pay to Holders such additional amounts ("Additional Amounts") as will result in the receipt by each Holder of the net amount that would otherwise have been receivable by such Holder in the absence of such withholding or deduction, except that no such Additional Amounts will be payable:

- (a) in respect of any Taxes that would not have been so withheld or deducted but for the existence of any present or former connection (including, without limitation, a permanent establishment in a Relevant Taxing Jurisdiction) between the Holder or beneficial owner of the note or any payment in respect of such note

(or, if the Holder or beneficial owner is an estate, nominee, trust, partnership, corporation or other business entity, between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over, the Holder or beneficial owner) and the Relevant Taxing Jurisdiction, other than the mere receipt of payments in respect of the note or the mere acquisition, holding or ownership of such note or beneficial interest or the enforcement of rights thereunder;

(b) in respect of any Taxes that would not have been so withheld or deducted if the note had been presented for payment within 30 days after the Relevant Date (as defined below) to the extent presentation is required (except to the extent that the Holder would have been entitled to Additional Amounts had the note been presented for payment on the last day of such 30-day period);

(c) in respect of any Taxes that would not have been so withheld or deducted but for the failure by the Holder or the beneficial owner of the note or any payment in respect of such note to (i) make a declaration of non-residence, or any other claim or filing for exemption, to which it is entitled or (ii) comply with any certification, identification, information, documentation or other reporting requirement concerning its nationality, residence, identity or connection with a Relevant Taxing Jurisdiction; *provided* that such declaration or compliance was required as a precondition to exemption from all or part of such Taxes and the Issuer has given the Holders at least 30 days prior notice that they will be required to comply with such requirements;

(d) in respect of any estate, inheritance, gift, value added, sales, use, excise, transfer, personal property or similar taxes, duties, assessments or other governmental charges;

(e) in respect of any Taxes that are payable otherwise than by deduction or withholding from payments on the notes;

(f) in respect of any Taxes that would not have been so imposed if the Holder had presented the note for payment (where presentation is required) to another available paying agent of the Issuer;

(g) in respect of any payment to a Holder of a note that is a fiduciary, intermediary or partnership (including an entity treated as a partnership for tax purposes) or any Person other than the sole beneficial owner of such payment or note, to the extent that a beneficiary or settlor with respect to such fiduciary, intermediary, a partner of such partnership or the beneficial owner of such payment or note would not have been entitled to the Additional Amounts had such beneficiary, settlor, partner or beneficial owner been the actual Holder of such note;

(h) in respect of any withholding or deduction imposed on a payment required to be made pursuant to European Council Directive 2003/48/EC or any other European Union directive implementing the conclusions of the European Council of Economic and Finance Ministers (“ECOFIN”) meeting of November 26-27, 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such a directive;

(i) in respect of any Taxes imposed pursuant to or in connection with Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the “Code”), as of the issue date (or any amended or successor version of such sections), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b)(1) of the Code, any intergovernmental agreement between a non-U.S. jurisdiction and the United States with respect to the foregoing or any law or regulation adopted pursuant to any such intergovernmental agreement; or

(j) in respect of any combination of clauses (a) through (i) above.

“*Relevant Date*” means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in The City of New York, New York by the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect has been given to the Holders in accordance with the Indenture.

All references to principal, premium, if any, and interest in respect of the notes will be deemed also to refer to any Additional Amounts which may be payable as set forth in the Indenture or in the notes.

The Issuer will furnish to the Trustee within 60 days after the date of payment of any taxes documentation reasonably satisfactory to the Trustee evidencing payment of Taxes. Copies of such receipts will be made available to Holders upon written request.

The Issuer will promptly pay when due any present or future stamp, court or similar documentary taxes or any other excise or property taxes, charges or similar levies that arise in any jurisdiction from the execution, delivery or registration of each note or any other document or instrument referred to herein or therein, excluding any such taxes, charges or similar levies imposed by any jurisdiction outside of any Relevant Taxing Jurisdiction and except for taxes, charges or similar levies resulting from certain registration of transfer or exchange of notes.

### **Repurchase of Notes upon a Change of Control**

Upon the occurrence of a Change of Control, each Holder will have the right to require that the Issuer purchase all or a portion (in integral multiples of U.S.\$1,000; provided that the remaining principal amount of such Holder's note will not be less than U.S.\$200,000) of the Holder's notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the date of purchase.

Within 30 days following the date upon which a Change of Control occurred, the Issuer must send a notice to each Holder, with a copy to the trustee, offering to purchase the notes as described above. The Change of Control offer shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date the notice is mailed, except as may be required by law.

If only a portion of a note is purchased pursuant to a Change of Control offer, a new note in a principal amount equal to the portion thereof not purchased will be issued in the name of the Holder thereof upon cancellation of the original note (or appropriate adjustments to the amount and beneficial interests in a global note will be made, as appropriate); provided that the remaining principal amount of such Holder's note will not be less than U.S.\$200,000 and will be in integral multiples of U.S.\$1,000 in excess thereof.

Notwithstanding anything to the contrary contained herein, a Change of Control offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control offer is made.

Other existing and future indebtedness of the Issuer may contain prohibitions on the occurrence of events that would constitute a Change of Control or require that such indebtedness be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the notes upon a Change of Control could cause a default under such indebtedness even if the Change of Control itself does not.

If a Change of Control occurs, the Issuer may not have available funds sufficient to make the Change of Control payment for all the notes that might be delivered by Holders seeking to accept a Change of Control offer. In the event the Issuer is required to purchase outstanding notes pursuant to a Change of Control offer, the Issuer expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations. However, the Issuer may not be able to obtain necessary financing.

Holders will not be entitled to require the Issuer to purchase their notes in the event of a takeover, recapitalization, leveraged buyout or similar transaction which is not a Change of Control.

The Issuer will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations in connection with the purchase of notes in connection with a Change of Control offer. To the extent that the provisions of any securities laws or regulations conflict with the "Repurchase of Notes upon a Change of Control" provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by doing so. If it would be unlawful in any jurisdiction to make a Change of Control offer, the Issuer will not be obligated to make such offer in such jurisdiction and will not be deemed to have breached its obligations under the Indenture because of its failure to make such offer.

The obligation of the Issuer to make a Change of Control offer may be waived or modified at any time prior to the occurrence of such Change of Control with the written consent of Holders of a majority in principal amount of the notes.

## **Optional Redemption**

### ***Make-Whole Redemption***

The Issuer may redeem the notes, at its option, in whole or in part, at any time or from time to time, at a redemption price equal to the greater of (1) 100% of the outstanding principal amount of the notes, and (2) the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 50 basis points, in each case plus accrued and unpaid interest to the date of redemption. In connection with such optional redemption, the following defined terms shall apply:

“*Comparable Treasury Issue*” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such notes.

“*Comparable Treasury Price*” means, with respect to the redemption date, (1) the average of four Reference Treasury Dealer Quotations for the redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“*Independent Investment Banker*” means one of the Reference Treasury Dealers.

“*Reference Treasury Dealer*” means Credit Suisse Securities (USA) LLC and Scotia Capital (USA) Inc. or their affiliates which are primary United States government securities dealers and not less than three other leading primary United States government securities dealers in New York City reasonably designated by the Issuer; *provided* that if any of the foregoing cease to be a primary United States government securities dealer in New York City (a “Primary Treasury Dealer”), the Issuer will substitute therefor another Primary Treasury Dealer.

“*Reference Treasury Dealer Quotations*” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at or about 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

“*Treasury Rate*” means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

### ***Tax Redemption***

The notes may be redeemed, in whole but not in part, at the Issuer’s option, subject to applicable Trinidad and Tobago laws, at a redemption price equal to 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest to the redemption date and any Additional Amounts, if, as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction, or any change in the official application, administration or interpretation of such laws, regulations or rulings (including a holding by a court of competent jurisdiction), the Issuer has or will become obligated to pay Additional Amounts in excess of the amount that would be payable based on the rate of withholding or deduction in effect on the Issue Date (“Excess Additional Amounts”), if such change or amendment is announced or occurs on or after the date of the Indenture and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (including, without limitation, taking reasonable measures to change the paying agent and *provided* that reasonable

measures shall not include a change in the jurisdiction of the Issuer); *provided* that no such notice of redemption will be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Excess Additional Amounts, were a payment in respect of the notes then due. Prior to the giving of notice of redemption of notes pursuant to the Indenture, the Issuer will deliver to the Trustee an officer's certificate to the effect that the Issuer is or at the time of the redemption will be entitled to effect such a redemption pursuant to the Indenture, and setting forth in reasonable detail the circumstances giving rise to such right of redemption. The officer's certificate will be accompanied by a written opinion of recognized counsel in the Relevant Taxing Jurisdiction independent of the Issuer to the effect, among other things, that:

- (i) the Issuer is, or is expected to become, obligated to pay such Excess Additional Amounts as a result of a change or amendment, as described above; and
- (ii) all governmental approvals necessary for the Issuer to effect the redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

### ***General***

Notice of a redemption must be given to each holder of notes and published in accordance with the provisions set out under "—Notices," not less than 30 days nor more than 60 days prior to the redemption date.

On and after any redemption date, interest will cease to accrue on the notes unless the Issuer defaults in the payment of the redemption price.

The Issuer may at any time purchase the notes in the open market or otherwise at any price. Any such purchased notes will not be resold, except in compliance with applicable requirements or exemptions under the relevant securities laws.

### ***Covenants***

The Indenture provides that the following covenants will be applicable to the Issuer and its Subsidiaries for so long as any of the notes remains outstanding.

#### ***Limitation on Liens***

The Issuer covenants and agrees that so long as any note issued under the Indenture remains outstanding, the Issuer and its Subsidiaries shall not create, incur or assume any Lien upon any present or future assets or revenues to secure or otherwise provide for the payment of any Indebtedness of the Issuer or any of its Subsidiaries without effectively providing that the notes (together with, if the Issuer so determines, any other Indebtedness or obligation then existing or thereafter created ranking equally with the notes) shall be secured equally and ratably with (or prior to) such Indebtedness so long as such Indebtedness shall be so secured, except that the foregoing provision shall not apply to the following ("Permitted Liens"):

- (a) Liens in existence as of the date of the Indenture or granted pursuant to an agreement existing on the date of the Indenture, *provided* that all Liens in existence as of the Issue Date that secure the Syndicated Bridge Facility shall cease to be Permitted Liens 30 Business Days following the Issue Date;
- (b) Liens created solely for the purpose of securing Indebtedness incurred to finance, refinance or refund the purchase price or cost (including the cost of construction, development or improvement) of property or assets acquired by the Issuer or any Subsidiary (individually or together with other Persons) after the date hereof (by purchase, construction or otherwise), including after acquired inventory or other assets, or Liens in favor of Guarantors of obligations or Indebtedness (including the Indebtedness of another Person) representing, or incurred to finance, refinance or refund, any part of such purchase price or cost, *provided* that no such Lien shall extend to or cover any property or assets other than the property or assets so acquired and improvements thereon (other than, in the case of Liens securing Indebtedness incurred to finance construction or improvement costs, any theretofore unimproved real property on which the property so constructed, or the improvement, is located, or any buildings, structures, machinery or other fixtures constituting such property or assets);

- (c) Liens which secure only Indebtedness owed by a Subsidiary to the Issuer and/or one or more Subsidiaries or by the Issuer to one or more Subsidiaries;
- (d) Liens on any property or assets acquired from a Person which is merged with or into the Issuer or any Subsidiary, or any Liens on the property or assets of any Person or other entity existing at the time such Person or other entity becomes a Subsidiary and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such Person);
- (e) any Lien on any property or assets existing at the time of acquisition thereof and which is not created as a result of or in connection with or in anticipation of such acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property or assets);
- (f) any Lien securing Indebtedness under any agreement or instrument in respect of an interest rate or currency swap, exchange or hedging transaction or other financial derivatives transaction, *provided* that such Indebtedness was entered into in the ordinary course of business and not for speculative purposes or the obtaining of credit;
- (g) Liens for taxes, assessments or governmental charges or levies if such taxes, assessments, governmental charges or levies are not at the time due and payable, or if the same are being contested in good faith by appropriate proceedings and appropriate provisions, if any, have been established as required by IFRS;
- (h) Liens arising solely by operation of law;
- (i) Liens created for the sole purpose of securing Indebtedness that, when incurred, will be applied to repay all (but not only part) of the notes and all other amounts payable under the notes; *provided* that the notes and all other such amounts are fully satisfied within 30 days after the incurrence of such Indebtedness;
- (j) judgment Liens not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired and appropriate provisions, if any, have been established as required by IFRS;
- (k) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business;
- (l) minor defects, easements, irregularities, rights-of-way restrictions and other similar encumbrances incurred in the ordinary course of business and encumbrances consisting of zoning or planning restrictions licenses restrictions on the use of property or imperfections in title that in any such case do not materially interfere with operation of the Facility;
- (m) Liens in favor of customs and revenue authorities to secure payments of custom duties in connection with the importation of goods or materials incurred in the ordinary course of business;
- (n) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances or documentary letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods, in each case as incurred in the ordinary course of business;
- (o) Liens on equipment of the Issuer and located on the premises of any client or supplier as incurred in the ordinary course of business;
- (p) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise permitted by the Indenture; and
- (q) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (a) through (p) or of any Indebtedness secured

thereby, *provided* that the principal amount of Indebtedness so secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement (plus reasonable expenses incurred in connection therewith), and that such extension, renewal or replacement Lien shall be limited to all or part of the property which secured the Lien extended, renewed or replaced (plus improvements on or additions to such property).

Notwithstanding the foregoing provisions, the Issuer or any Subsidiary may issue, assume or Guarantee Indebtedness secured by Liens which would otherwise be subject to the foregoing restrictions in an aggregate principal amount which, together with the aggregate outstanding principal amount of all other Indebtedness of the Issuer and its Subsidiaries which would otherwise be subject to the foregoing restrictions (not including Indebtedness permitted to be secured under clauses (a) through (q)) and the aggregate Value of the Sale and Leaseback Transactions in existence at such time (not including Sale and Leaseback Transactions as to which the Issuer has complied with the restriction set forth in the covenant described under “—Limitation on Sale and Leaseback Transactions”) does not at the time of issuance, assumption, or Guarantee thereof exceed 15% of Consolidated Net Tangible Assets.

Liens required by any contract or statute in order to permit the Issuer or a Subsidiary to perform any contract or subcontract made by it with or at the request of a governmental entity or any department, agency or instrumentality thereof, or to secure partial, progress, advance or any other payments to the Issuer or any Subsidiary by a governmental entity or any department, agency or instrumentality thereof pursuant to the provisions of any contract or statute shall not be deemed to create Indebtedness secured by Liens.

#### ***Limitation on Sale and Leaseback Transactions***

The Issuer covenants and agrees that neither the Issuer nor any of its Subsidiaries will enter into any Sale and Leaseback Transaction unless either:

- (a) the Issuer or such Subsidiary would be entitled pursuant to the provisions of the covenant described above under “—Limitation on Liens” to incur Indebtedness (in a principal amount equal to or exceeding the Value of such Sale and Leaseback Transaction) secured by a Lien; or
- (b) the Issuer, during or immediately after the expiration of four months after the effective date of such Sale and Leaseback Transaction (whether made by the Issuer or a Subsidiary), applies to the voluntary retirement of Funded Debt an amount equal to the Value of such Sale and Leaseback Transaction, less an amount equal to the sum of: (i) the principal amount of notes delivered, within such four-month period, to the Trustee for retirement and cancellation, and (ii) the principal amount of other Funded Debt voluntarily retired by the Issuer within such four month period, in each case excluding retirements of notes and other Funded Debt as a result of conversions or pursuant to mandatory sinking fund or mandatory prepayment provisions or by payment at maturity.

#### ***Consolidation, Merger, Sale or Conveyance***

The Issuer will not consolidate with or merge into any other Person or convey or transfer its properties and assets substantially as an entirety to any Person, unless (i) the successor Person will be a Person existing under the laws of the United States (or any State thereof or the District of Columbia) or Trinidad and Tobago and will assume, by a supplemental indenture (to be executed solely by such Person), the due and punctual payment of the principal, premium, if any, and interest (and Additional Amounts, if any) in respect of all the outstanding notes and the performance of every covenant in the Indenture on the part of the Issuer to be performed or observed; (ii) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, will have happened and be continuing; and (iii) the Issuer will have delivered to the Trustee an officer’s certificate and opinion of counsel stating that such consolidation, merger, conveyance or transfer and such supplemental indenture comply with the foregoing provisions relating to such transaction. In case of any such consolidation, merger conveyance or transfer (other than a lease), such successor entity will succeed to and be substituted for the Issuer as obligor on the notes, with the same effect as if it had been named in the Indenture as such obligor.

### ***Limitation on Conduct of Business***

The Issuer and its Subsidiaries will not engage in any business other than a Permitted Business.

### ***Limitation on Amendments to the Power Purchase Agreement***

The Issuer will not enter into or consent to any amendment to the Power Purchase Agreement or assign any of its rights or pursuant to the Power Purchase Agreement to any Person except for any amendment that would not impair the ability of the Issuer to satisfy its obligations to make payments on the notes.

### ***Reporting Requirements***

The Issuer will furnish to the Holders and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

In addition, the Issuer will furnish (or in lieu of furnishing, make accessible electronically with notice to the Trustee) to Holders:

(1) as soon as they are available, but in any event within 120 calendar days after the end of each fiscal year of the Issuer, copies of its audited financial statements (on a consolidated basis) in respect of such fiscal year (including a profit and loss account, balance sheet and cash flow statement), in English, prepared in accordance with IFRS and audited by a member firm of an internationally recognized firm of independent accountants; and

(2) as soon as they are available, but in any event within 60 calendar days after the end of each of the first and third fiscal quarters of the Issuer, and 75 calendar days after the end of the second fiscal quarter of the Issuer, copies of its unaudited financial statements (on a consolidated basis) in respect of the relevant period (including a profit and loss account, balance sheet and cash flow statement), in English, prepared on a basis consistent with the audited financial statements of the Issuer and in accordance with IFRS, together with a certificate signed by the person then authorized to sign financial statements on behalf of the Issuer to the effect that such financial statements are true in all material respects and present fairly the financial position of the Issuer as at the end of, and the results of its operations for, the relevant quarterly period.

Delivery of such reports, information and documents to the Trustee shall be for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of the covenants contained in the Indenture (as to which the Trustee will be entitled to conclusively rely upon an officer's certificate).

### **Events of Default**

The Indenture will provide that the following events constitute "Events of Default" with respect to the notes:

(i) default in the payment of the principal or premium, if any, in respect of any note, at any principal Payment Date, or at maturity, upon redemption or otherwise;

(ii) default in the payment of interest or Additional Amounts in respect of the notes if such default continues for 30 days after any such interest or Additional Amount becomes due;

(iii) the Issuer fails to comply with its obligations described under "*—Repurchase of Notes upon a Change of Control*", "*—Covenants— Consolidation, Merger, Sale or Conveyance*", "*—Covenants— Limitation on Conduct of Business*" or "*—Covenants— Limitation on Amendments to the Power Purchase Agreement*".

(iv) failure to observe or perform any covenant or agreement contained in the notes or the Indenture (other than a default referred to in clause (i), (ii) or (iii) above), and such failure continues for 60 days after notice to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in principal

amount of the outstanding notes, specifying such failure and requiring it to be remedied and stating that such notice constitutes a notice of default under the Indenture;

(v) the Issuer breaches any material obligation under the Power Purchase Agreement, or the PPA Guarantor breaches any material obligation under the PPA Guarantee Agreement, and, in each case, such breach is not remedied within the cure period, if any, provided for in the Power Purchase Agreement or the PPA Guarantee Agreement, as applicable;

(vi) any default, early amortization event, failure to pay principal when due (whether at maturity, upon redemption or acceleration or otherwise) or similar event with respect to any Indebtedness of the Issuer or any of its Subsidiaries, individually or in the aggregate, of outstanding principal amount of U.S.\$5.0 million (or the equivalent thereof in other currencies), or any default, early amortization event, failure to pay principal when due (whether at maturity, upon redemption or acceleration or otherwise) or similar event with respect to any Indebtedness of the Government of the Republic of Trinidad and Tobago of outstanding principal amount of U.S.\$25.0 million (or the equivalent thereof in other currencies), in each case, if such failure continues for more than the cure period, if any, applicable thereto and the period for payment has not been expressly extended;

(vii) the Issuer or the Government of the Republic of Trinidad and Tobago shall admit in writing its inability to, or be generally unable to, pay its Indebtedness as such Indebtedness becomes due;

(viii) one or more final and non-appealable judgments, decrees, settlements or agreements to settle for the payment of money in excess of U.S.\$5.0 million (or the equivalent thereof in other currencies) in the aggregate are rendered against or entered into by the Issuer or any of its Subsidiaries, or one or more final and non-appealable judgments, decrees, settlements or agreements to settle for the payment of money in excess of U.S.\$25.0 million (or the equivalent thereof in other currencies) in the aggregate are rendered against or entered into by the Government of the Republic of Trinidad and Tobago, and in each case, are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged; *provided* that such judgment or decree shall only be considered an Event of Default if the Issuer or any of its Subsidiaries (a) has been notified of enforcement proceedings commenced by any creditor and such judgment or decree is not dismissed within 30 days following commencement of such enforcement proceedings; and (b) fails to contest such enforcement proceedings within 60 days from the time that such Issuer or Subsidiary receives notice thereof;

(ix) a decree or order by a court having jurisdiction has been entered adjudging the Issuer or any of its Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Issuer or any of its Subsidiaries and such decree or order continues undischarged or unstayed for a period of 60 days; or a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or for the liquidation or dissolution of the Issuer or any of its Subsidiaries, has been entered, and such decree or order continues undischarged and unstayed for a period of 60 days; *provided* that any Significant Subsidiary may be liquidated or dissolved if, pursuant to such liquidation or dissolution, all or substantially all of its assets are transferred to the Issuer or another Significant Subsidiary of the Issuer;

(x) the Issuer or any of its Subsidiaries institutes any proceeding to be adjudicated as voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or answer or consent seeking reorganization, or consents to the filing of any such petition, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property; or

(xi) a determination is made in a judicial proceeding that any of the Power Purchase Agreement or the PPA Guarantee Agreement is unenforceable or invalid against the Issuer for any reason.

The Trustee shall not be deemed to have notice of any Default or Event of Default (other than a payment default) unless a written notice of any event which is in fact such a default is received by a Responsible Officer of the Trustee at the corporate trust office of the Trustee, and such notice references the notes and the Indenture.

If an Event of Default specified in clause (ix) or (x) above occurs, the maturity of all outstanding notes will automatically be accelerated and the principal amount of the notes, together with accrued interest thereon, will be immediately due and payable. If any other Event of Default occurs and is continuing, the Trustee or the Holders of not less than 25% of the aggregate principal amount of the notes then outstanding may, by written notice to the Issuer (and to the Trustee if given by Holders), declare the principal amount of the notes, together with accrued interest thereon, immediately due and payable. The right of the Holders to give such acceleration notice will terminate if the event giving rise to such right has been cured before such right is exercised. Any such declaration may be annulled and rescinded by written notice from the Holders of a majority of the aggregate principal amount of the notes then outstanding to the Issuer if all amounts then due with respect to the applicable notes are paid (other than amount due solely because of such declaration) and all other defaults with respect to the notes are cured and all amounts owed to the Trustee are paid.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case the Issuer fails to comply with its obligations under the Indenture or the notes and such failure is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee security or indemnity satisfactory to it. The Holders of a majority in aggregate principal amount of the outstanding notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, to the extent such action does not conflict with the provisions of the Indenture or applicable law.

No Holder of any note will have any right to institute any proceeding with respect to the Indenture or the notes or for any remedy thereunder, unless such Holder has previously given to the Trustee written notice of a continuing Event of Default and unless also the Holders of at least 25% in aggregate principal amount of the outstanding notes have made a written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee, such Holder or Holders have offered to the Trustee security or indemnity satisfactory to it, the Trustee for 60 days after receipt of such notice has failed to institute any such proceeding and no direction inconsistent with such request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the outstanding notes. However, such limitations do not apply to a suit individually instituted by a Holder of a note for enforcement of payment of principal, premium, if any, and interest in respect of such note on or after respective due dates expressed in such note.

So long as certain conditions are met, the Holders of a majority in aggregate principal amount of the notes then outstanding by notice to the Trustee and the Issuer may waive an existing Event of Default and its consequences except (i) an Event of Default in the payment of the principal of or interest on a note or (ii) an Event of Default in respect of a provision that cannot be amended without the consent of each Holder affected. When an Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent or other Event of Default or impair any consequent right.

### **Legal Defeasance and Covenant Defeasance**

The Issuer may, at its option and at any time, elect to have its obligations with respect to outstanding notes discharged (“Legal Defeasance”). If the Issuer exercises its legal defeasance option, payment of the notes may not be accelerated because of an Event of Default with respect thereto. Such Legal Defeasance means that the Issuer will be deemed to have paid and discharged the entire indebtedness represented by the outstanding notes after the deposit specified in clause (1) of the second following paragraph, except for:

- (i) the rights of Holders to receive payments of the principal, premium, if any, and interest in respect of the notes when such payments are due;
- (ii) the Issuer’s obligations with respect to the notes concerning issuing temporary notes, registration of notes, mutilated, destroyed, lost or stolen notes and the maintenance of an office or agency for payments;
- (iii) the rights, powers, trust, duties and immunities of the Trustee and the Issuer’s obligations in connection therewith; and

- (iv) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have its obligations released with respect to the covenants described under “—*Covenants—Limitation on Liens*”, “—*Covenants—Limitation on Sale and Leaseback Transactions*” and “—*Covenants—Reporting Requirements*” and the covenant default and cross-acceleration provisions described under “Events of Default” (“Covenant Defeasance”) and thereafter any omission to comply with such obligations will not constitute a default or Event of Default with respect to the notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership, reorganization and insolvency events) described under “*Events of Default*” will no longer constitute an Event of Default with respect to the notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

- (1) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, certain direct non-callable obligations of, or guaranteed by, the United States, or a combination thereof, in such amounts as will be sufficient without reinvestment, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal, premium, if any, and interest (including Additional Amounts) in respect of the notes on the stated date for payment thereof;
- (2) in the case of Legal Defeasance, the Issuer will have delivered to the Trustee an opinion of counsel from counsel in the United States reasonably acceptable to the Trustee and independent of the Issuer to the effect that (subject to customary exceptions and exclusions):
  - (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling; or
  - (b) since the date of issuance of the notes, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel state that, the beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;
- (3) in the case of Covenant Defeasance, the Issuer will have delivered to the Trustee an opinion of counsel from counsel in the United States reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and exclusions) to the effect that the beneficial owners of the notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;
- (4) in the case of Legal Defeasance or Covenant Defeasance, the Issuer will have delivered to the Trustee, an opinion of counsel from counsel in Trinidad and Tobago reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and exclusions) to the effect that, based upon laws of the Republic of Trinidad and Tobago then in effect, beneficial owners of the notes will not recognize income, gain or loss for Trinidad tax purposes, including withholding tax except for withholding tax then payable on interest payments due, as a result of such Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Trinidad taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred;
- (5) no Event of Default, or event which with notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing with respect to the notes, including with respect to certain events of bankruptcy or insolvency, at any time during the period ending on the 121st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period);
- (6) the Issuer has delivered to the Trustee an officer’s certificate and an opinion of counsel from counsel reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and

exclusions), each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(7) the Issuer has delivered to the Trustee opinions of counsel from U.S. and Trinidad and Tobago counsel reasonably acceptable to the Trustee and independent of the Issuer (subject to customary exceptions and exclusions and to assumptions as to factual matters, including the absence of an intervening bankruptcy, insolvency or reorganization during the applicable preference period following the date of such deposit and that no Holder or the Trustee is deemed to be an “insider” of the Issuer under the U.S. Bankruptcy Code and any equivalent law of Trinidad and Tobago) to the effect that the transfer of trust funds pursuant to such deposit will not be subject to avoidance as a preferential transfer pursuant to the applicable provisions of the U.S. Bankruptcy Code or any successor statute and any equivalent law of Trinidad and Tobago.

### **Satisfaction and Discharge**

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the notes, as expressly provided for in the Indenture) as to all outstanding notes when:

(1) either:

(a) all the notes theretofore authenticated and delivered (except lost, stolen or destroyed notes which have been replaced or paid and notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all notes not theretofore delivered to the Trustee for cancellation have become due and payable, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds or certain direct, non-callable obligations of, or guaranteed by, the United States sufficient without reinvestment to pay and discharge the entire indebtedness on the notes not theretofore delivered to the Trustee for cancellation, for principal, premium, if any, and interest in respect of the notes to the date of deposit, together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment;

(2) the Issuer has paid all other sums payable under the Indenture and the notes by it; and

(3) the Issuer has delivered to the Trustee an officer’s certificate stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with.

### **Notices**

All notices will be deemed to have been given (i) if to Holders of non-global certificated notes, upon the mailing by first class mail, postage prepaid, of such notices to Holders of the notes at their registered addresses as recorded in the Register and (ii) if to Holders of Global Notes, upon delivery of such notices to the relevant depositary in accordance with its applicable procedures.

### **Amendments and Waivers**

From time to time, the Issuer and the Trustee, without the consent of the Holders, may amend, modify or supplement the Indenture and the notes for certain specified purposes, including, among other things:

- to cure any ambiguity, defect or inconsistency contained therein or to make any other change that does not adversely affect the rights of any Holder in any material respect;
- to provide for the assumption by a successor Person of the obligations of the Issuer under the Indenture;

- to add to the covenants of the Issuer for the benefit of the Holders or surrender any right or power conferred upon the Issuer;
- to provide for the issuance of additional notes in accordance with the Indenture;
- to evidence the replacement of the Trustee as provided for under the Indenture; or
- to conform the text of the Indenture or the notes or to any provision of this “Description of the Notes.”

Modification and amendments to the Indenture or to the terms and conditions of the notes may be made, and future compliance therewith or past default by the Issuer (other than a default in the payment of any amount, including in connection with a redemption, due on the notes or in respect of covenant or provision which cannot be modified and amended without the consent of the Holders of all notes so affected) may be waived, with the written consent (including consents obtained in connection with a tender offer or exchange offer for the notes) of the Holders of at least a majority in aggregate principal amount of outstanding notes; or by the adoption of resolutions at a meeting of Holders of the notes by the Holders of at least a majority of the outstanding notes *provided* that, no such modification or amendment to the Indenture or to the terms and conditions of the notes may, without the consent or the affirmative vote of each Holder of each note so affected:

- change the interest rate with respect to any note or reduce the principal amount of any note, or change the time for such payments;
- modify the obligation to pay Additional Amounts;
- change the prices at which the notes may be redeemed by the Issuer, or change the time at which any note may be redeemed;
- change the currency in which, or change the required place at which, payment on principal, premium, if any, and interest with respect to the notes is payable;
- impair the right to institute suit for the enforcement of any payment obligation on or with respect to any note; or
- reduce the above-stated percentage of principal amount of outstanding notes whose Holders are required to consent to modify or amend the Indenture or the terms or conditions of the notes or to waive any future compliance or past default; and

*provided, further*, that in connection with any modification, amendment or supplement, the Issuer has delivered to the Trustee an opinion of counsel and an officer’s certificate, each stating, that such modification, amendment or supplement complies with the applicable provisions of the Indenture.

## **Listing**

In the event that the notes are listed as anticipated on the SGX-ST, the Issuer will use its reasonable best efforts to maintain such listing.

## **Governing Law, Consent to Jurisdiction, Currency Conversion and Service of Process**

The Indenture and the notes will be governed by, and construed in accordance with, the laws of the State of New York.

The Issuer has consented to the non-exclusive jurisdiction of the New York State and U.S. federal courts located in the Borough of Manhattan, The City of New York with respect to any action that may be brought in connection with the Indenture or the notes and has irrevocably appointed National Corporate Research, Ltd., located at 10 East 40th Street, 10th Floor, New York, New York 10016, as agent for service of process.

If for the purpose of obtaining judgment in any court it is necessary to convert a sum due hereunder to the holder of a note from U.S. dollars into another currency, the Issuer has agreed, and each Holder by holding such note will be deemed to have agreed, to the fullest extent that the Issuer and they may effectively do so, that the rate of exchange used will be that at which in accordance with normal banking procedures such Holder could purchase

U.S. dollars with such other currency in New York City, New York on the day two Business Days preceding the day on which final judgment is given.

The Issuer's obligation in respect of any sum payable by it to a Holder will, notwithstanding any judgment in a currency (the "judgment currency") other than U.S. dollars, be discharged only to the extent that on the Business Day following receipt by the Holder of a note of any sum adjudged to be so due in the judgment currency, the Holder of such note may in accordance with normal banking procedures purchase U.S. dollars with the judgment currency; if the amount of the U.S. dollars so purchased is less than the sum originally due to the Holder in the judgment currency (determined in the manner set forth in the preceding paragraph), the Issuer agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Holder of such note against such loss, and if the amount of the U.S. dollars so purchased exceeds the sum originally due to such Holder, such Holder agrees to remit to the Issuer such excess, *provided* that such Holder will have no obligation to remit any such excess as long as the Issuer has failed to pay such Holder any obligations due and payable under such note, in which case such excess may be applied to the Issuer's obligations under such note in accordance with the terms thereof.

Claims against the Issuer for the payment of principal, premium, if any, or interest on the notes must be made within six years from the due date for payment thereof. However, under laws of the Republic of Trinidad and Tobago, such claims may be required to be made within four years from the due date for payment thereof.

### **Enforceability of Judgments**

The Issuer is incorporated in Trinidad and Tobago and all of its operating assets are outside the United States. Accordingly, any judgment obtained in the United States against the Issuer, including judgments with respect to the payment of principal, premium, if any, and interest, Additional Amounts and any purchase price with respect to the notes, may not be collectable within the United States. See "Enforcement of Civil Liabilities."

### **Waiver of Immunity**

To the extent that the Issuer or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to the Issuer, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from setoff or from counterclaim from the jurisdiction of any Republic of Trinidad and Tobago, New York State or U.S. federal court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution of judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any such court in which proceedings may at any time be commenced, with respect to the obligations and liabilities of the Issuer, or any other matter under or arising out of or in connection with, the notes or the Indenture, the Issuer irrevocably and unconditionally waives or will waive such right, and agrees not to plead or claim any such immunity and consents to such relief and enforcement.

### **Form, Denomination and Title**

The notes will be issued in registered form, without interest coupons, in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of notes, but the Issuer or Trustee or other agent may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The notes will be represented by a Restricted Global Note (as defined below) and a Regulation S Global Note (as defined below) (each sometimes referred to herein as a "Global Note" and together sometimes referred to herein as the "Global Notes").

Notes sold in reliance on Rule 144A under the Securities Act initially will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (the “Restricted Global Note”) and will be deposited with the Trustee as custodian for DTC and registered in the name of DTC or its nominee.

Notes sold outside the United States in reliance on Regulation S of the Securities Act will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (the “Regulation S Global Note”) and will be deposited with the Trustee as custodian for DTC, and registered in the name of DTC or its nominee for the accounts of Euroclear and Clearstream (as indirect participants in DTC).

The Restricted Global Note and Regulation S Global Note will be subject to certain restrictions on transfer and will bear a legend to that effect as described under “Transfer Restrictions.”

Transfers of a note or beneficial interest therein to a person who takes delivery in the form of a Restricted Global Note or beneficial interest therein may be made only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a person that the transferor reasonably believes is a qualified institutional buyer (as defined in Rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Transfers of a note or beneficial interest therein to a person who takes delivery in the form of a Regulation S Global Note or beneficial interest therein may be made only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rules 903 and 904 of Regulation S.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

The Issuer will initially appoint the Trustee at its office in New York City specified herein as registrar and New York paying agent and transfer agent for the notes. In such capacities, the Trustee will be responsible for, among other things, (i) maintaining a record of the aggregate holdings of notes represented by the Global Notes and accepting notes for exchange and registration of transfer, (ii) ensuring that payments of principal, premium, if any, and interest in respect of the notes received by the Trustee from the Issuer are duly paid to DTC or its nominee and (iii) transmitting to the Issuer any notices from noteholders.

## **Global Notes**

Upon the issuance of a Restricted Global Note and a Regulation S Global Note, DTC or its custodian will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by such Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the Initial Purchasers. Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC (“DTC Participants”) or persons who hold interests through DTC Participants. Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of DTC Participants) and the records of DTC Participants (with respect to interests of persons other than DTC Participants).

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold interests in the Regulation S Global Note on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories, which in turn will hold such interests in the Regulation S Global Note in customers’ securities accounts in the depositories’ names on the books of DTC. Investors that are qualified institutional buyers may hold their interests in Restricted Global

Notes directly through DTC if they are DTC Participants, or indirectly through organizations that are DTC Participants.

Payments of the principal, premium, if any, and interest in respect of notes represented by a Global Note registered in the name of DTC or its nominee will be made to DTC or its nominee, as the case may be, as the registered owner of the Global Note representing such notes. None of the Issuer, the Trustee or any paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising, or reviewing any records relating to such beneficial ownership interests. The Issuer expects that DTC or its nominee, upon receipt of any payment of principal, premium, if any, and interest in respect of a Global Note representing any notes held by it or its nominee, will immediately credit DTC Participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Issuer also expects that payments by DTC Participants to owners of beneficial interests in such Global Note held through such DTC Participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC Participants.

Transfers between DTC Participants will be effected in accordance with DTC rules and procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and procedures.

The laws of some jurisdictions require that certain persons take physical delivery of securities in certificated form. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited because DTC can only act on behalf of DTC Participants, who in turn act on behalf of indirect participants and certain banks. Accordingly, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of each interest, may be affected by the lack of a physical certificate for such interest.

Subject to compliance with the transfer restrictions applicable to the notes described above and under "Transfer Restrictions," cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules and procedures on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in Regulation S Global Notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a DTC Participant will be credited during the securities settlement processing day (which must be a business day for Euroclear or Clearstream, as the case may be) immediately following the DTC settlement date, and the credit of any transactions in interests in a Global Note settled during such processing will be reported to the relevant Euroclear or Clearstream participant on such day. Cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account only as of the Business Day following settlement in DTC.

DTC has advised the Issuer that it will take any action permitted to be taken by a Holder of notes (including, without limitation, the presentation of notes for transfer, exchange or conversion as described below) only at the direction of one or more DTC Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction. However, in the limited circumstances described herein, DTC will exchange the Global Notes for notes in certificated form, which it will distribute to DTC Participants. See "*Certificated Notes*".

DTC has advised the Issuer as follows: DTC will act as the depository for the notes. The notes will be issued as fully registered senior notes registered in the name of Cede & Co., which is DTC's partnership nominee. Fully registered Global Notes will be issued for the notes, in the aggregate principal amount of the issue, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, including transfers and pledges, in deposited securities through electronic computerized book-entry changes to participants' accounts, thereby eliminating the need for physical movement of notes certificates. Direct participants of DTC include securities brokers and dealers, including the initial purchasers of the notes, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to indirect participants, which includes securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

To facilitate subsequent transfers, all Global Notes representing the notes which are deposited with, or on behalf of, DTC are registered in the name of DTC's nominee, Cede & Co. The deposit of Global Notes with, or on behalf of, DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Global Notes representing the notes; DTC's records reflect only the identity of the direct participants to whose accounts the notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. will consent or vote with respect to the Global Notes representing the notes. Under its usual procedure, DTC mails an omnibus proxy to the Issuer as soon as possible after the applicable Record Date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the applicable Record Date (identified in a listing attached to the omnibus proxy).

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificated notes are required to be printed and delivered. See "*—Certificated Notes*".

The Issuer may decide to discontinue use of the system of book-entry transfers through DTC or a successor securities depository. In that event, certificated notes will be printed and delivered. See "*—Certificated Notes*".

Although DTC, Euroclear and Clearstream have agreed to the procedures described above in order to facilitate transfers of interests in the Global Notes among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. Neither the Trustee nor the Issuer will have any liability or responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

### **Certificated Notes**

If DTC is at any time unwilling or unable to continue as a depository for the reasons set forth under "*—Global Notes*" above and a successor depository is not appointed by the Issuer within 90 days, the Issuer elects to discontinue use of the system of book-entry transfers through DTC or a successor securities depository, or an Event

of Default has occurred and is continuing with respect to the notes, then, upon surrender by DTC of the global notes, the Issuer will issue individual definitive notes in certificated form, having the same terms and conditions and which will have the same aggregate principal amount, in registered form in exchange for Regulation S Global Notes and Restricted Global Notes, as the case may be. Upon any exchange for certificated notes, the certificated notes will be registered in the names of the beneficial owners of the Global Notes representing the notes, which names will be provided by DTC's relevant participants (as identified by DTC) to the Trustee.

The Holder of a certificated note may transfer such note by surrendering it at the office or agency maintained by the Issuer for such purpose in the Borough of Manhattan, The City of New York, which initially will be the office of the Trustee. Upon the transfer, exchange or replacement of certificated notes bearing the legend, or upon specific request for removal of the legend on a certificated note, the Issuer will deliver only certificated notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Neither the Trustee nor the registrar or any transfer agent will be required to register the transfer of or exchange certificated notes for a period from the Record Date to the due date for any payment of principal of, or interest on, the notes or register the transfer of or exchange any notes for 15 days prior to selection for redemption through the date of redemption.

Prior to presentment of a note for registration of transfer (including a Global Note), the Issuer, the Trustee and any agent of the Issuer or the Trustee may treat the person in whose name such note is registered as the owner or Holder of such note for the purpose of receiving payment of principal or interest on such note and for all other purposes whatsoever, whether or not such note is overdue, and none of the Issuer, the Trustee or any agent of the Issuer or the Trustee will be affected by notice to the contrary.

The Issuer will appoint and maintain a Singapore paying agent in the event that the Global Notes are exchanged for certificated notes, and the Issuer shall provide details of such exchange including all material information with respect to the delivery of the certificated notes, including details of the Singapore paying agent by way of an announcement to the SGX-ST, for so long as the Notes are listed on the SGX-ST.

### **Replacement of Notes**

In the event that any note becomes mutilated, defaced, destroyed, lost or stolen, the Issuer will execute and, upon the Issuer's request, the Trustee will authenticate and deliver a new note, of like tenor (including the same date of issuance) and equal principal amount, registered in the same manner, and bearing interest from the date to which interest has been paid on such note, in exchange and substitution for such note (upon surrender and cancellation thereof) or in lieu of and substitution for such note. In the event that such note is destroyed, lost or stolen, the applicant for a substitute note will furnish to the Issuer and the Trustee such security or indemnity as may be required by them to hold each of them harmless, and, in every case of destruction, loss or theft of such note, the applicant will also furnish to the Issuer and the Trustee satisfactory evidence of the destruction, loss or theft of such note and of the ownership thereof. Upon the issuance of any substituted note, the Issuer may require the payment by the registered holder thereof of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other fees and expenses (including the fees and expenses of the Trustee) connected therewith.

### **Trustee**

U.S. Bank National Association is the Trustee under the Indenture. The Issuer may have normal banking relationships with the Trustee and its affiliates in the ordinary course of business. The address of the Trustee is 100 Wall Street, 16th Floor, New York, New York 10005, United States.

The Indenture contains provisions for the indemnification of the Trustee and for its relief from responsibility. The obligations of the Trustee to any Holder of notes are subject to such immunities and rights as are set forth in the Indenture.

The Trustee and any of its affiliates may hold notes in their own respective names.

## Certain Definitions

The following is a summary of certain defined terms used in the Indenture. Reference is made to the Indenture for the complete definition of all such terms as well as other capitalized terms used herein for which no definition is provided.

For purposes of the following definitions, all calculations and determinations will be made in accordance with IFRS and will be based upon the consolidated financial statements of the Issuer and its subsidiaries.

“*Attributable Debt*” in respect of a Sale and Leaseback Transaction means, as at the time of determination, the present value (discounted at the interest rate borne by the notes, compounded annually) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended).

“*Board of Directors*” means, with respect to any Person, the board of directors of such Person or any committee thereof duly authorized to act on behalf of the Board of Directors of such Person.

“*Business Day*” means a day other than a Saturday, Sunday or any day on which banking institutions are authorized or required by law to close in The City of New York, New York or the country of Trinidad and Tobago.

“*Capital Stock*” of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“*Capitalized Lease Obligations*” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“*Change of Control*” means, at any time, the Government of the Republic of Trinidad and Tobago, directly or indirectly, shall (i) cease to own, beneficially of record, at least a majority of the Capital Stock and voting stock of the Issuer or (ii) cease to have the power to direct or cause the direction of the management and policies of the Issuer.

“*Consolidated Net Tangible Assets*” means the total of all assets (including revaluations thereof as a result of commercial appraisals, price-level restatement or otherwise) appearing on a consolidated balance sheet of the Issuer and its Subsidiaries, net of all applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the current liabilities of the Issuer and its Subsidiaries appearing on such balance sheet (excluding the current portion of long-term debt).

“*Currency Agreement*” means, with respect to any Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

“*Default*” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise;
- (2) is convertible or exchangeable for Indebtedness or Disqualified Stock; or

(3) is redeemable at the option of the holder thereof, in whole or in part;

in each case on or prior to the first anniversary of the Stated Maturity of the notes.

“*Facility*” means the 720 MW combined-cycle gas-fired power plant located in the Union Industrial Estate at Vessigny Village, La Brea, Republic of Trinidad and Tobago.

“*Funded Debt*” means Indebtedness of the Issuer (including the notes) maturing by the terms thereof more than one year after the original creation thereof.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and any obligation, direct or indirect, contingent or otherwise, of any Person: (A) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or (B) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a correlative meaning. The term “Guarantor” shall mean any Person Guaranteeing any obligation.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement or Currency Agreement.

“*IFRS*” means International Financial Reporting Standards as issued by the International Accounting Standards Board, or other accounting standards generally accepted in Trinidad and Tobago, in each case as in effect from time to time.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of and premium (if any) in respect of indebtedness of such Person for borrowed money;
- (2) the principal of and premium (if any) in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of the face amount of letters of credit or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except trade payables and contingent obligations to pay earn-outs), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services;
- (5) all Capitalized Lease Obligations and all Attributable Debt of such Person;
- (6) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Subsidiary of such Person, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) all indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person; provided that the amount of Indebtedness of such Person shall be the lesser of: (a) the fair market value of such asset at such date of determination and (b) the amount of such indebtedness of such other Persons;

- (8) to the extent not otherwise included in this definition, Hedging Obligations of such Person to the extent that such Hedging Obligations appear as a liability on the balance sheet of such Person, prepared in accordance with IFRS; and
- (9) all obligations of the type referred to in clauses (1) through (8) above of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, Guarantor or otherwise, including by means of any Guarantee.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date.

*“Interest Rate Agreement”* means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is a party or a beneficiary.

*“Issue Date”* means November 4, 2016.

*“Lien”* means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

*“Permitted Business”* means (i) the ownership, operation and maintenance of the Facility and any other power and energy generating facilities, and any business ancillary or complementary thereto, (ii) the business of generating, transmitting, transporting, distributing, producing or storing electric power, (iii) the development, acquisition, disposition, financing and operation of projects and facilities for such purposes and other businesses related or incidental thereto or that are a reasonable extension thereof and (iv) ownership of Persons engaged in or assets used in such businesses.

*“Person”* means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

*“Power Purchase Agreement”* means the power purchase agreement dated September 15, 2009 among Alutrint Limited, Trinidad and Tobago Electricity Commission and the Issuer, as amended, relating to the Facility, and any other electric power supply agreement entered into by the Issuer with an unaffiliated third party in good faith as determined by the board of directors of the Issuer.

*“PPA Guarantee Agreement”* means the government guarantee agreement, dated September 14, 2009, between the Government of the Republic of Trinidad and Tobago and the Issuer, as amended to the Issue Date.

*“PPA Guarantor”* means the Government of the Republic of Trinidad and Tobago, in its capacity as Guarantor pursuant to the PPA Guarantee Agreement.

*“Preferred Stock”* as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

*“Responsible Officer”* when used with respect to the Trustee, means any officer within the Corporate Trust Administration of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his or her

knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of the Indenture.

“*Sale and Leaseback Transaction*” means any arrangement with any person (other than the Issuer or a Subsidiary), or to which any such person is a party, providing for the leasing to the Issuer or a Subsidiary for a period of more than three years of any property or assets which has been or is to be sold or transferred by the Issuer or such Subsidiary to such person or to any other person (other than the Issuer or a Subsidiary) to which funds have been or are to be advanced by such person on the security of the leased property or assets.

“*SEC*” means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act.

“*Significant Subsidiary*” means a Subsidiary of the Issuer which would be a “significant subsidiary” within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC in effect on the date of the Indenture, assuming the Issuer is the registrant referred to in such definition.

“*Stated Maturity*” means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including, with respect to any principal amount which is then due and payable pursuant to any mandatory redemption provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

“*Subsidiary*” means any corporation or other business entity of which the Issuer owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interests, in each case having ordinary voting power to elect or appoint directors, managers or trustees of such corporation or other business entity (whether or not Capital Stock or other ownership interests or any other class or classes have or might have voting power upon the occurrence of any contingency).

“*Syndicated Bridge Facility*” means the U.S.\$600.0 million syndicated bridge facility entered into on July 7, 2016, among the Issuer, as Borrower, Credit Suisse AG, Cayman Islands Branch, as Administrative Agent and Lead Arranger, various financial institutions as Lenders, and First Citizens Bank Limited, as the Security Agent.

“*Value*” shall mean, with respect to a Sale and Leaseback Transaction, as of any particular time, the amount equal to the greater of: (1) the net proceeds of the sale or transfer of the property leased pursuant to such Sale and Leaseback Transaction or (2) the fair value in the opinion of the Board of Directors of the Issuer or the relevant Subsidiary of such property at the time of entering into such Sale and Leaseback Transaction, in either case divided first by the number of full years of the term of the lease and then multiplied by the number of full years of such term remaining at the time of determination, without regard to any renewal or extension options contained in the lease.

## TAXATION

### General

This section summarizes the principal Trinidad and Tobago tax and U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes. This summary does not provide a comprehensive description of all tax considerations that may be relevant to a decision to purchase the notes. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than the United States and Trinidad and Tobago.

This summary is based on the tax laws of Trinidad and Tobago and the United States as in effect on the date of this offering memorandum, as well as regulations, rulings and decisions of Trinidad and Tobago and the United States available on or before that date and now in effect. Those laws, regulations, rulings and decisions are subject to change and changes could apply retroactively, which could affect the continued accuracy of this summary.

Prospective purchasers of the notes should consult their own tax advisors as to the Trinidad and Tobago, U.S. or other tax consequences of the purchase, ownership and disposition of the notes. They should especially consider how the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws, could apply to them in their particular circumstances.

### Trinidad and Tobago Tax Considerations

*The following is a general description of certain Trinidad and Tobago tax laws relating to the notes and does not purport to be a comprehensive description of the tax treatment of the notes. Prospective purchasers should consult their tax advisers as to the tax laws and the specific tax consequences of acquiring, holding and disposing of the notes.*

Purchasers of notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase.

Under existing laws and regulations of Trinidad and Tobago, incomes (including interest) accruing in Trinidad and Tobago to a non-resident investor, whether a corporation or individual, that is not engaged in business in Trinidad and Tobago, will generally attract Trinidad and Tobago income tax at the standard rate of 15%. Amounts in respect of such income tax must be withheld from payment of such income by the Trinidad and Tobago payer.

Interest paid on the notes to resident individuals of Trinidad and Tobago are not subject to Trinidad and Tobago tax. While there is no obligation to withhold tax from interest paid to corporations resident in Trinidad and Tobago, the recipients of that income will generally be required to include that interest as income in their tax calculations.

Tax will be withheld on interest (or amounts deemed to be interest) paid on the notes to a non-resident investor at the time of the interest payment, at the standard rate of 15% of the gross amount paid. The standard rate may however be reduced in accordance with any applicable double taxation treaty entered into between Trinidad and Tobago and the non-resident investor's country of residence (for tax purposes).

Trinidad and Tobago has entered into, or is negotiating, double taxation treaties with various countries. These treaties generally provide for a reduction in the prescribed rate of tax to be withheld from interest (or other amounts deemed to be interest) payments. However, this summary is not intended to address the effects that such treaties may have on interest paid to investors in the notes and the method of double taxation relief that will apply in respect of the Trinidad and Tobago tax paid on such income.

The payer of the interest is responsible for withholding and paying the tax to the Board of Inland Revenue. Holders or beneficial owners of the notes may therefore be requested to provide certain information or documentation to the payer in order to establish the appropriate Trinidad and Tobago withholding tax rate applicable to such holders or beneficial owners. Failure to provide such documentation will require the payer to withhold at the standard rate of 15%.

In addition, any gains realized by a non-resident investor derived from the sale or exchange or retirement of notes generally will not be subject to income tax in Trinidad and Tobago.

In the event of the imposition of such withholding taxes or duties, the Issuer has undertaken to make payments of additional amounts as described under “*Description of the Notes — Payments of Additional Amounts*”.

## **U.S. Federal Income Tax Considerations**

The following discussion is a summary of the principal U.S. federal income tax consequences of acquiring, owning and disposing of the notes. Except where otherwise noted, this discussion applies only to U.S. Holders (as defined below) of notes that purchase the notes at the initial issue price indicated on the cover of this offering memorandum and that hold the notes as “capital assets” within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the “Code”). This discussion is based on the Code, its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the Internal Revenue Service (the “IRS”) and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations. We have not sought any ruling from the IRS with respect to the tax consequences discussed herein, and there can be no assurance that the IRS or a court will agree with our statements and conclusions.

This discussion assumes that the notes will not be issued with more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes. This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular holder and holders are urged to consult their own tax advisors regarding their specific tax situations. The discussion does not address the tax consequences that may be relevant to holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;
- dealers in securities or currencies;
- traders in securities that elect the mark-to-market method of accounting with respect to their securities holdings;
- banks or other financial institutions;
- partnerships or other pass-through entities for U.S. federal income tax purposes;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. Dollar;
- U.S. expatriates; or
- holders that hold the notes as part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address the U.S. federal estate and gift tax, alternative minimum tax consequences, the Medicare tax on net investment income, or any state, local and non-U.S. tax consequences of acquiring, owning and disposing of the notes.

As used herein, the term “U.S. Holder” means a beneficial owner of the notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;

- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisor as to its consequences of acquiring, owning and disposing of the notes.

### ***Stated Interest***

Stated interest paid to a U.S. Holder on a note, including any amount withheld in respect of any taxes and any additional amounts paid with respect thereto, will be includible in such U.S. Holder's gross income as ordinary interest income at the time such payments are received or accrued in accordance with such U.S. Holder's usual method of tax accounting for U.S. federal income tax purposes. In addition, interest on the notes will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any Trinidad and Tobago or other foreign income taxes withheld on interest payments on the notes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

### ***Sale, Exchange or Other Taxable Disposition***

Upon the sale, exchange or other taxable disposition (including a redemption) of a note, a U.S. Holder generally will recognize capital gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than accrued but unpaid stated interest which will be taxable as ordinary income to the extent not previously included in gross income) and the U.S. Holder's adjusted tax basis in the note.

A U.S. Holder's adjusted tax basis in a note generally will equal the cost of the note to the U.S. Holder reduced by any payments previously made on the note other than payments of stated interest. Any such capital gain or loss will be long-term capital gain or loss if the note has been held for more than one year at the time of its sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

Any gain or loss realized on the sale, exchange or other taxable disposition of a note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale, exchange or other taxable disposition of notes is subject to Trinidad and Tobago or other foreign income tax, U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code (because such gain generally would be U.S. source income) unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income that is treated as derived from foreign sources. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year.

### ***U.S. Backup Withholding and Information Reporting***

Information reporting generally will apply to payments of principal of, and interest on, notes (including additional amounts, if any), and to proceeds from the sale or redemption of notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding will be required on payments made within the United States, or by a U.S. payor or U.S. middleman, on a note to a U.S. Holder, other than an exempt recipient, if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements.

Backup withholding is not an additional tax. A holder of notes generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner. In addition, certain U.S. Holders are required to report information relating to an interest in the notes, subject to certain exceptions (including an exception for notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisors regarding the effect, if any, of this reporting obligation on their ownership and disposition of the notes.

**The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of notes. Prospective purchasers of notes should consult their own tax advisors concerning the tax consequences of their particular circumstances.**

## PLAN OF DISTRIBUTION

Credit Suisse Securities (USA) LLC and Scotia Capital (USA) Inc. are acting as joint book-running managers of the offering and as representatives of the initial purchasers named below. Subject to the terms and conditions contained in a purchase agreement dated the date of this offering memorandum, we have agreed to sell to the initial purchasers, and each of the initial purchasers has, severally and not jointly, agreed to purchase from us, the principal amount of the notes offered hereby that appears opposite its name in the table below.

Initial Purchaser	Principal Amount of Notes
Credit Suisse Securities (USA) LLC .....	U.S.\$240,000,000
Scotia Capital (USA) Inc. ....	U.S.\$240,000,000
RBC Capital Markets, LLC .....	U.S.\$120,000,000
<b>Total</b> .....	<b>U.S.\$600,000,000</b>

The purchase agreement provides that the obligation of the initial purchasers to purchase the notes is subject to certain conditions precedent and that the initial purchasers will purchase all of the notes offered hereby if any of such notes offered hereby are purchased.

We have been advised that the initial purchasers propose to resell the notes at the offering price set forth on the cover page of this offering memorandum. The price at which the notes are offered may be changed at any time without notice.

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under U.S. securities laws, and to contribute to payments that the initial purchasers may be required to make in respect of any of these liabilities.

The notes offered hereby have not been, and will not be, registered under the Securities Act. The initial purchasers have agreed that they will offer or sell the notes in the United States only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and outside the United States pursuant to Regulation S under the Securities Act. In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A. See “*Transfer Restrictions*”.

We expect to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the sixth business day following the date of the pricing of the notes (such settlement cycle being referred to as “T+6”). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market are generally required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing or the next succeeding two business days will be required, by virtue of the fact that the notes initially will settle in T+6, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the notes who wish to trade the notes on the date of pricing or the next two succeeding business days should consult their own advisors.

### **Listing of Securities**

Approval in-principle has been received from the SGX-ST for the listing and quotation of the notes on the Official List of the SGX-ST. However, we cannot assure you that the application will be approved. The initial purchasers may make a market in the notes after completion of the offering, but will not be obligated to do so, and may discontinue any market-making activities at any time without notice. Neither we nor the initial purchasers can provide any assurance as to the liquidity of the trading market for the notes. If an active public trading market for the notes is not maintained, the market price and liquidity of the notes may be adversely affected.

## **No Sales of Similar Securities**

We have agreed that we will not, for a period of 90 days after the date of this offering memorandum, without the prior written consent of Credit Suisse Securities (USA) LLC and Scotia Capital (USA) Inc., offer, sell, contract to sell or otherwise dispose of, or announce the offering of, any debt securities in the international capital markets, except for the notes sold to the initial purchasers pursuant to the purchase agreement.

## **Stabilization Transactions**

In connection with the offering, the initial purchasers may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases. Short sales involve secondary market sales by the initial purchasers of a greater number of notes than they are required to purchase in the offering. Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the initial purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

## **Selling Restrictions**

Neither we nor the initial purchasers are making an offer to sell, or seeking offers to buy, the notes in any jurisdiction where the offer and sale is not permitted. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell the notes or possess or distribute this offering memorandum, and you must obtain any consent, approval or permission required for your purchase, offer or sale of the notes under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. Neither we nor the initial purchasers will have any responsibility therefor.

### ***Brazil***

The offer of notes described in this offering memorandum will not be carried out by any means that would constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets under Federal Law No. 6,385, of December 7, 1976, as amended, and under Rule (*Instrução*) No. 400, of December 29, 2003, as amended, of the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or the “CVM”). The offer and sale of the notes have not been and will not be registered with the CVM in Brazil. Any public offering or distribution, as defined under Brazilian laws and regulations, of securities in Brazil is not legal without such prior registration with the CVM or is exempted. Documents relating to the offering of the notes, as well as information contained therein, may not be supplied to the public in Brazil, as the offering of the notes is not a public offering of securities in Brazil, nor may they be used in connection with any offer for sale of the notes to the public in Brazil. This offering memorandum is confidential and addressed to you personally, for your sole benefit, and is not to be transmitted to anyone else, to be relied upon by anyone else or for any other purpose either quoted or referred to in any other public or private document or to be filed with anyone without our prior, express and written consent.

### ***Canada***

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

## **Chile**

The offer of the notes is subject to General Rule No. 336 issued by the *Superintendencia de Valores y Seguros de Chile* (Chilean Securities and Insurance Superintendency or "SVS"). The commencement date of this offering is the one contained in the cover pages of this offering memorandum. The notes will not be registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the SVS and will not be subject to the supervision of the SVS. As unregistered securities, the Company has no obligation to deliver/disclose public information about the notes in Chile. The notes cannot and will not be publicly offered in Chile unless registered in the *Registro de Valores* (Securities Registry) or the *Registro de Valores Extranjeros* (Foreign Securities Registry), both kept by the SVS. If the notes are offered within Chile, they will be offered and sold only pursuant to General Rule 336 of the SVS, an exemption to the registration requirements, or in circumstances which do not constitute a public offer of securities under Chilean law.

*La oferta de los valores se acoge a la Norma de Carácter General N°336 de la Superintendencia de Valores y Seguros o "SVS". La fecha de inicio de la presente oferta es la indicada en la portada de este offering memorandum. Los valores no estarán inscritos en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la SVS, y tales valores no estarán sujetos a la fiscalización de la SVS. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de los valores. Los valores no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores o el Registro de Valores Extranjeros que lleva la SVS. Si los valores son ofrecidos dentro de Chile, serán ofrecidos y colocados sólo de acuerdo a la Norma de Carácter General N°336 de la SVS, una excepción a la obligación de inscripción, o en circunstancias que no constituyan una oferta pública de valores en Chile de conformidad a la ley chilena.*

## **Colombia**

The notes have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombian Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the notes may not be publicly offered in Colombia or traded on the Colombian Stock Exchange.

The offering memorandum is for the sole and exclusive use of the addressee as an offeree in Colombia, and the offering memorandum shall not be interpreted as being addressed to any third party in Colombia or for the use of any third party in Colombia, including any shareholders, administrators or employees of the addressee.

The recipient of the notes acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the notes being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

## **Dubai**

In the Dubai International Financial Centre (the "DIFC"), the notes have not been and are not being, publicly offered, sold, promoted or advertised other than in compliance with the laws of the DIFC and applicable

rules of the Dubai Financial Services Authority (the “DFSA”). No offer of the notes shall be made to any person in or from the DIFC unless such offer is:

- i. an “Exempt Offer” for the purposes of the Markets Rules (“MKT”) module of the DFSA Rulebook; and
- ii. made only to persons who meet the “Professional Client” criteria set out in Rule 2.3.3 of the Conduct of Business module of the DFSA Rulebook.

This document has not been and will not be filed with the DFSA or with any other authority in the DIFC and no such authority assumes any liability for its contents.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

- i. to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- ii. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the initial purchasers; or
- iii. in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of notes shall require the Company or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (as amended including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### ***Hong Kong***

This offering memorandum has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any notes other than (1) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (2) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## ***Ireland***

Each initial purchaser has represented, warranted and agreed (and each additional initial purchaser appointed under the offering will be required to represent, warrant and agree) that:

- i. it will not offer, underwrite the issue of, or place, the notes otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) including, without limitation, Regulations 7 and 152 thereof or any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998;
- ii. it will not offer, underwrite the issue of, or place, the notes, otherwise than in conformity with the provisions of the Central Banks Acts 1942 to 2011 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- iii. it will not offer, underwrite the issue of, or place, or do anything in Ireland in respect of the Securities otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland (the “Central Bank”);
- iv. it will not offer, underwrite the issue of, place, or otherwise act in Ireland in respect of the notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank; and
- v. no notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank.

## ***Italy***

The offering of the notes has not been cleared by the *Commissione Nazionale per la Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation. Accordingly, each initial purchaser has represented and agreed that it has not offered, sold or delivered, directly or indirectly, any notes to the public in the Republic of Italy.

For the purposes of this provision, the expression “offer of notes to the public” in Italy means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, including the placement through authorized intermediaries.

Each initial purchaser has represented and agreed that it will not offer, sell or deliver, directly or indirectly, any note or distribute copies of this offering memorandum or of any other document relating to the notes in the Republic of Italy except:

- i. to qualified investors (*investitori qualificati*), as defined under Article 100 of the Legislative Decree No. 58 of February 24, 1998, as amended (the “Italian Financial Act”), as implemented by Article 26, paragraph 1(d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (“Regulation No. 16190”), pursuant to Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of May 14, 1999, as amended (“Regulation No. 11971”); or
- ii. in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Italian Financial Act and its implementing CONSOB regulations including Regulation No. 11971.

Any such offer, sale or delivery of the notes or distribution of copies of the offering memorandum or any other document relating to the notes in the Republic of Italy must be in compliance with the selling restriction under (i) and (ii) above and:

1. made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the relevant provisions of the Italian Financial Act, Regulation No. 16190, Legislative Decree No. 385 of September 1, 1993 as amended (the “Banking Act”) and any other applicable laws or regulation;
2. in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy or by Italian persons outside of Italy; and
3. in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or any other Italian authority.

Any investor purchasing the notes is solely responsible for ensuring that any offer, sale, delivery or resale of the notes by such investor occurs in compliance with applicable Italian laws and regulations.

### ***Jamaica***

The notes have not been, and are not being, publicly offered in Jamaica. This offering memorandum does not and is not intended to constitute a public offer of securities in Jamaica

Pursuant to guidelines (“Guidelines”) numbered SR-GUID-08/05-0016 published by the Financial Services Commission of Jamaica (“FSCJ”), securities may be offered in Jamaica by way of an exempt distribution. Exempt distributions are exempt from the requirement to register a prospectus or other offering document. The registration requirement under the provisions of the Securities Act of Jamaica in respect of a trade in a security, where the security is offered by way of an exempt distribution, is satisfied by compliance with the provisions of the Guidelines.

The Issuer has filed with the FSCJ, the required Notice of Exempt Distribution (Form XDF-1) and the FSCJ has confirmed in writing that the notes have been granted exemption from the registration of its offering document.

The notes are subject to transfer restrictions pursuant to Guidelines.

### ***Japan***

The notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the FIEA) and each initial purchaser has represented and agreed that it will not offer or sell any note, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or entity organized under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***Luxembourg***

The notes may not be offered or sold to the public in the Grand Duchy of Luxembourg, directly or indirectly, and, neither this offering memorandum nor any other circular, prospectus, form of application, advertisement, communication or other material may be distributed, or otherwise made available in, or from or published in, the Grand Duchy of Luxembourg, except for the sole purpose of the admission to trading and listing of the notes on the Official List of the Luxembourg Stock Exchange and except in circumstances which do not constitute a public offer of securities to the public.

## **Mexico**

The notes have not been, and will not be, registered with the National Securities Registry (*Registro Nacional de Valores*) maintained by the Mexican National Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*, or the “CNBV”) and, therefore the notes may not be publicly offered or sold nor be the subject of intermediation in Mexico, publicly or otherwise, except that the notes may be offered in Mexico to institutional and qualified investors pursuant to the private placement exception set forth in Article 8 of the Mexican Securities Market Law.

## **Peru**

Neither this offering memorandum nor the notes have been registered with the Peruvian Securities Market Regulator (*Superintendencia del Mercado de Valores*). Accordingly, each initial purchaser has further represented and agreed, and each further initial purchaser appointed under the offering will be required to represent and agree, that it and each of its affiliates has not offered or sold, and will not offer or sell, any notes in Peru except that they may offer notes in circumstances which do not constitute a public offering under Peruvian laws and regulations.

The notes will not be registered in the *Registro Público del Mercado de Valores*. As a result, the offering of the notes is limited to the restrictions set forth in the Peruvian Securities Market Law. Holders of the notes are not permitted to transfer the notes in Peru unless said transfer involves an institutional investor or the notes are previously registered in the *Registro Público del Mercado de Valores*.

## **Singapore**

Each initial purchaser has acknowledged, and each further initial purchaser appointed under the offering will be required to acknowledge, that this offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, each initial purchaser has represented, warranted and agreed, and each further initial purchaser appointed under the offering will be required to represent, warrant and agree, that it has not offered or sold any notes or caused the notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any notes or cause the notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### ***Switzerland***

The notes are not being offered to the public in Switzerland. Therefore, this document constitutes neither a public offer in Switzerland nor a prospectus in accordance with applicable legislation in Switzerland and may not be issued, distributed or published in Switzerland in a manner which would be deemed to constitute a public offer of the notes in Switzerland.

### ***Trinidad and Tobago***

The notes will not be offered for sale to the public in Trinidad and Tobago. The notes will be offered as a limited offering in Trinidad and Tobago to no more than thirty five (35) persons and, as such, the notes are exempt from registration in accordance with the T&T Securities Act and we are exempted from filing a prospectus.

### ***United Kingdom***

Each initial purchaser has represented, warranted and agreed that:

- i. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the United Kingdom Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- ii. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

### **Relationships with the Initial Purchasers**

In the ordinary course of business, the initial purchasers and their affiliates have provided, and may in the future provide, investment banking, commercial banking, cash management, foreign exchange or other financial services to us and our affiliates for which they have received customary compensation and may receive compensation in the future. In particular, an affiliate of Credit Suisse Securities (USA) LLC acts as administrative agent, lead arranger and lender under our Syndicated Bridge Facility.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates has a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes offered hereby. The initial purchasers and their affiliates may also make investment recommendations and/or

publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **TRANSFER RESTRICTIONS**

The notes have not been registered and will not be registered under the T&T Securities Act, the Securities Act, any U.S. state securities laws or the laws of any other jurisdiction, and may not be offered or sold except pursuant to an effective registration statement or pursuant transactions exempt from, or not subject to, registration under the T&T Securities Act, the Securities Act and the securities laws of any other jurisdiction. Accordingly, the notes are being offered and sold only:

- in the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A under the Securities Act; and
- outside of the United States, to certain persons, other than U.S. persons, in offshore transactions meeting the requirements of Rule 903 in reliance on Regulation S under the Securities Act; and
- in Trinidad and Tobago as a limited offering (as defined by the T&T Securities Act) to thirty-five or less investors where the Issuer (i) notifies the Trinidad and Tobago Securities and Exchange Commission in writing of the proposed commencement date of distribution within ten business days prior to the first issuance of securities pursuant to the distribution, and (ii) files a post distribution statement in accordance with section 84 of the T&T Securities Act.

### **Purchasers' Representations and Restrictions on Resale and Transfer**

Each purchaser of notes (other than the initial purchasers in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

- (1) it is purchasing the notes for its own account or an account with respect to which it exercises sole investment discretion and it and any such account is either (a) a qualified institutional buyer and is aware that the sale to it is being made pursuant to Rule 144A or (b) a non-U.S. person that is outside the United States;
- (2) it acknowledges that the notes have not been registered under the Securities Act or with any securities regulatory authority of any U.S. state or any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (3) it acknowledges that neither the notes nor the Issuer have been registered under the T&T Securities Act and no prospectus has been filed with the Trinidad and Tobago Securities and Exchange Commission with respect to the notes;
- (4) it understands and agrees that the notes offered in the United States to qualified institutional buyers will each be represented by one or more global notes and that the notes offered outside the United States pursuant to Regulation S will also be represented by one or more global notes;
- (5) it will not resell or otherwise transfer any of such notes except (a) to us, (b) within the United States to a qualified institutional buyer in a transaction complying with Rule 144A under the Securities Act, (c) outside the United States in compliance with Rule 903 or 904 under the Securities Act, (d) pursuant to another exemption from registration under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act;
- (6) it understands and agrees that the notes are being offered as a limited offering in Trinidad and Tobago to no more than thirty five (35) persons and the notes may not be offered, sold or otherwise transferred in Trinidad and Tobago unless exempt from registration under the T&T Securities Act and it agrees that it and each of its affiliates will not distribute, offer or sell the notes in Trinidad and Tobago if such distribution or offer to sell would result in the Company

having to comply with sections 61(1), 62(1) and 73 to 75 of the T&T Securities Act. By acquiring the notes, each purchaser agrees that (A) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer any of the notes, such notes may only be offered, sold, pledged or otherwise transferred pursuant to an exemption from registration and from the filing of a prospectus under the T&T Securities Act, and (B) the purchaser will, and will require each subsequent holder to, notify any subsequent purchaser of such notes from it of the resale restrictions referred to in (A) above;

- (7) it agrees that it will give to each person to whom it transfers the notes notice of any restrictions on transfer of such notes;
- (8) it acknowledges that prior to any proposed transfer of notes (other than pursuant to an effective registration statement or in respect of notes sold or transferred either pursuant to (a) Rule 144A or (b) Regulation S) the holder of such notes may be required to provide certifications relating to the manner of such transfer as provided in the indenture;
- (9) it acknowledges that the trustee, registrar or transfer agent for the notes will not be required to accept for registration the transfer of any notes acquired by it, except upon presentation of evidence satisfactory to us that the restrictions set forth herein have been complied with;
- (10) if it is acquiring the notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account; and
- (11) it acknowledges that we, the initial purchasers and other persons will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of the notes are no longer accurate, it will promptly notify us and the initial purchasers.

## Legends

The following is the form of restrictive legend which will appear on the face of the Rule 144A global note, and which will be used to notify transferees of the foregoing restrictions on transfer:

**“This note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any U.S. state securities laws. The holder hereof, by purchasing this note, agrees for the benefit of the issuer that this note or any interest or participation herein may be offered, resold, pledged or otherwise transferred only (1) to the issuer, (2) so long as this note is eligible for resale pursuant to Rule 144A under the Securities Act (“Rule 144A”), to a person who the seller reasonably believes is a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, (3) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (4) pursuant to an exemption from registration under the Securities Act (if available) or (5) pursuant to an effective registration statement under the Securities Act, and in each of such cases in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction. The holder hereof, by purchasing this note, represents and agrees that it shall notify any purchaser of this note from it of the resale restrictions referred to above.**

This legend may be removed solely at the discretion and at the direction of the issuer.”

The following is the form of restrictive legend which will appear on the face of the Regulation S global note and which will be used to notify transferees of the foregoing restrictions on transfer:

**“This note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any U.S. state securities laws. Prior to expiration of the 40-day distribution compliance**

**period (as defined in Regulation S under the Securities Act (“Regulation S”)), this note may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account of benefit of, a U.S. person, except to a Qualified Institutional Buyer in compliance with Rule 144A under the Securities Act. The terms “United States” and “U.S. person” have the respective meanings given to them by Regulation S.”**

The following is the form of restrictive legend which will appear on the face of each Rule 144A global note and Regulation S global note, and which will be used to notify transferees of the foregoing restrictions on transfer:

**“This note has not been and will not be registered with the Trinidad and Tobago Securities and Exchange Commission and will not be listed on the Trinidad and Tobago Stock Exchange. Accordingly, this note may not be offered or sold in Trinidad and Tobago except under circumstances which do not constitute a public offering of securities or violate applicable securities laws or regulations.”**

The resale restriction periods may be extended, in our discretion, in the event of one or more issuances of additional notes, as described under “*Description of the Notes*”. The above legends (including the restrictions on resale specified thereon) may be removed solely in our discretion and at our direction.

## **VALIDITY OF THE NOTES**

The validity of the notes will be passed upon for us by Paul Hastings LLP, as to certain matters of New York law. The validity of the notes will be passed upon for the initial purchasers by Milbank, Tweed, Hadley & McCloy LLP. The validity of the notes will be passed upon for us by The Legal Consultancy as to certain matters of Trinidad and Tobago law, and for the initial purchasers by Johnson, Camacho & Singh Attorneys at Law as to certain matters of Trinidad and Tobago law.

## **INDEPENDENT AUDITORS**

The financial statements of Trinidad Generation Unlimited, for the years ended December 31, 2015, 2014 and 2013, included in this offering memorandum, have been prepared in accordance with IFRS and have been audited by Ernst & Young, independent auditors, as stated in their reports appearing herein. The unaudited condensed interim financial statements as of and for the six-month period ended June 30, 2016 and 2015, included in this offering memorandum, have been prepared in accordance with IAS 34 Interim Financial Reporting and have been reviewed by Ernst & Young.

The report of the independent auditor with respect to the 2015 audited financial statements and the 2014 audited financial statements, which contains “Other Matters” paragraphs that describe uncertainties and qualifications addressed in prior reports that have been resolved, is included in this offering memorandum. The report of the independent auditor with respect to the 2013 audited financial statements, which contains a qualified opinion because they were unable to verify the existence and completeness of the stated inventory balance at December 31, 2013, is included in this offering memorandum.

## **GENERAL INFORMATION**

The creation and issuance of the notes have been authorized by the resolutions of our board of directors dated October 19, 2016.

Except as disclosed in this offering memorandum, there are no litigation or arbitration proceedings against or affecting us or any of our respective assets, nor are we aware of any pending or threatened proceedings, which are or might reasonably be expected to be material in the context of the issuance of the notes.

To the best of our knowledge, the information contained in this offering memorandum is in accordance with the facts and does not omit anything likely to affect the significance of such information. Accordingly, we accept responsibility.

We obtained the market and industry data and other statistical information used throughout this offering memorandum from our own research, surveys or studies conducted by third parties, independent industry or general publications and other published independent sources. To the extent it relates to the GoRTT or Trinidad and Tobago macroeconomic data, the information used throughout this offering memorandum has been extracted from official publications and other information publicly disclosed by the GoRTT and has not been independently verified by us or the initial purchasers. We and the initial purchasers do not have and do not accept any responsibility for the accuracy or completeness of the information disclosed by the GoRTT in such publications (which are not incorporated by reference into this offering memorandum) or publicly available information included in this offering memorandum. Prospective purchasers are strongly advised to make their own independent evaluation of the GoRTT, including its financial condition, and of the macroeconomic conditions of Trinidad and Tobago generally, prior to making an investment decision with respect to the notes. Neither the GoRTT nor any of its subsidiaries or affiliates is providing any guarantee of payment or other credit support for the notes. While we believe that these sources are reliable, they are themselves subject to assumptions and involve judgments and estimates, and we and the initial purchasers have not independently verified such data, and we and the initial purchasers make no representations as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources.

Except as disclosed in this offering memorandum, there has been no material adverse change or any development reasonably likely to involve a material adverse change, in our condition (financial or otherwise) or general affairs since December 31, 2015 that is material in the context of the issuance of the notes.

For so long as any of the notes remain outstanding, copies of the following documents will be obtainable and available during normal business hours at the offices of the Singapore paying agent and our principal office, at the addresses listed on the last page of this offering memorandum:

- the indenture relating to the notes and our by-laws;
- the financial statements included in this offering memorandum; and
- all our future annual and quarterly interim financial statements.

The Rule 144A Global Note has been assigned ISIN No. US89636DAA46, CUSIP No. 89636D AA4 and Common Code No. 151470432. The Regulation S Global Note has been assigned ISIN No. USP9400VAA90, CUSIP No. P9400V AA9 and Common Code No. 151449590.

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## INDEX TO FINANCIAL STATEMENTS

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TRINIDAD GENERATION UNLIMITED

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

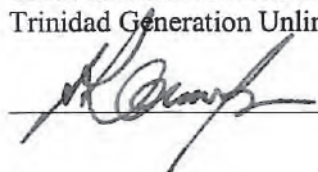
AS AT 30 JUNE 2016

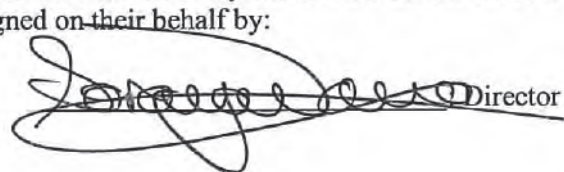
(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	Unaudited 30 June 2016 \$'000	Audited 31 December 2015 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	31,386	25,016
Net investment in leased assets	7	727,223	729,091
Deferred tax assets		<u>79,497</u>	<u>85,956</u>
		<u>838,106</u>	<u>840,063</u>
<b>Current assets</b>			
Cash and short-term deposits	8	95,930	94,885
Net investment in leased assets	7	4,479	4,518
Trade and other receivables		22,427	11,383
Tax recoverable		1,001	1,001
Inventories		<u>9,751</u>	<u>9,403</u>
		<u>133,588</u>	<u>121,190</u>
<b>TOTAL ASSETS</b>		<u>971,694</u>	<u>961,253</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital		189,400	189,400
Retained earnings		<u>72,284</u>	<u>42,390</u>
		<u>261,684</u>	<u>231,790</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u>181,753</u>	<u>179,945</u>
<b>Current liabilities</b>			
Trade and other payables		5,581	6,861
Dividends payable	14	—	4,000
Due to related parties	9	228,082	238,404
Short term loans	10	294,578	300,237
Tax payable		<u>16</u>	<u>16</u>
		<u>528,257</u>	<u>549,518</u>
<b>Total liabilities</b>		<u>710,010</u>	<u>729,463</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>971,694</u>	<u>961,253</u>

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

These interim condensed financial statements were authorized for issue by the Board of Directors of Trinidad Generation Unlimited on 6 October 2016 and signed on their behalf by:

 : Director

 Director

TRINIDAD GENERATION UNLIMITED

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)

		<b>Unaudited six months ended</b>	
	<b>Note</b>	<b>30 June 2016 \$'000</b>	<b>30 June 2015 \$'000</b>
<b>Revenue</b>			
Finance lease income		50,594	50,818
Other revenue		<u>1,251</u>	<u>—</u>
		<u>51,845</u>	<u>50,818</u>
<b>Expenses</b>			
Administrative expenses		(7,170)	(6,371)
Operating expenses		<u>(6,709)</u>	<u>(4,886)</u>
		<u>13,879</u>	<u>11,257</u>
<b>Operating profit</b>		37,966	39,561
Finance expense		(5,560)	(47)
Finance income		<u>6,239</u>	<u>5,278</u>
<b>Profit before tax</b>		38,645	44,792
Taxation	11	<u>(8,751)</u>	<u>(11,355)</u>
<b>Net profit for the period</b>		29,894	33,437
Other comprehensive income		<u>—</u>	<u>—</u>
<b>Total comprehensive income</b>		<u>29,894</u>	<u>33,437</u>

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

TRINIDAD GENERATION UNLIMITED

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	<b>Stated capital \$'000</b>	<b>Capital contributions \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total \$'000</b>
<b>Unaudited six months ended 30 June 2016</b>				
Balance at 1 January 2016	189,400	—	42,390	231,790
Comprehensive income for the period	<u>—</u>	<u>—</u>	<u>29,894</u>	<u>29,894</u>
<b>Balance at 30 June 2016 (Unaudited)</b>	<b><u>189,400</u></b>	<b><u>—</u></b>	<b><u>72,284</u></b>	<b><u>261,684</u></b>
<b>Unaudited six months ended 30 June 2015</b>				
Balance at 1 January 2015	1	189,399	203,024	392,424
Comprehensive income for the period	—	—	33,437	33,437
Issue of new ordinary shares (Note 9)	<u>189,399</u>	<u>(189,399)</u>	<u>—</u>	<u>—</u>
<b>Balance at 30 June 2015 (Unaudited)</b>	<b><u>189,400</u></b>	<b><u>—</u></b>	<b><u>236,461</u></b>	<b><u>425,861</u></b>

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

TRINIDAD GENERATION UNLIMITED

INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)

		<b>Unaudited</b>	
		<b>six months ended</b>	
		<b>30 June</b>	<b>30 June</b>
	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Profit before taxation		38,645	44,792
Adjustments for:			
Depreciation		1,132	990
Foreign exchange gain		(5,659)	—
Other movements		268	648
Interest income net of interest expense		<u>4,858</u>	<u>(5,069)</u>
<b>Operating profit before changes in working capital</b>		39,244	41,361
Increase in trade and other receivables		(11,056)	(32,151)
Increase in inventories		(348)	(1,090)
Decrease in amounts due to related parties (excluding financing activities)		(10,322)	—
Decrease in trade and other payables		<u>(1,653)</u>	<u>(390)</u>
<b>Net cash generated from operations</b>		15,865	7,730
Interest received		508	233
Interest paid		(4,981)	—
Finance lease collections		1,907	1,392
Tax paid		<u>(484)</u>	<u>(532)</u>
<b>Net cash generated from operations</b>		<u>12,815</u>	<u>8,823</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	6	(7,770)	(6,947)
Investment in short term deposits		<u>(12,755)</u>	<u>(3,166)</u>
<b>Net cash used in investing activities</b>		<u>(20,525)</u>	<u>(10,113)</u>
<b>Cash flows from financing activities</b>			
Dividends paid		<u>(4,000)</u>	—
<b>Net cash used in financing activities</b>		<u>(4,000)</u>	—
<b>Net decrease in cash and cash equivalents</b>		(11,710)	(1,290)
<b>Cash and cash equivalents</b>			
- at the beginning of the period		<u>31,755</u>	<u>31,582</u>
- at the end of the period	8	<u>20,045</u>	<u>30,292</u>

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

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### **1. Corporate information**

Trinidad Generation Unlimited (“TGU” or “the Company”) was incorporated in December 2006, and resides in the Republic of Trinidad and Tobago with its registered office situated at Third Floor, Mulchan Seuchan Road, Chaguanas. The Company’s principal activity is to engage in the acquisition, construction, ownership, and the operation, management and maintenance of power generation facilities.

The Company is wholly owned by Union Estate Electricity Generation Company Limited (“UEEGCL”), an entity controlled by the Government of the Republic of Trinidad and Tobago (“GORTT”).

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission (“T&TEC”) and TGU’s parent company UEEGCL.

TGU owns and operates a power generation plant in La Brea, Trinidad, and has entered into a 30 year Power Purchase Agreement (“PPA”) with T&TEC dated 15 September 2009 for the provision of capacity and associated energy generated by the plant to T&TEC. Based on the evaluation of the terms of the PPA, TGU has accounted for the PPA as a finance lease in accordance with IAS 17: “Leases”.

#### **2. Significant accounting policies**

##### **a. Basis of preparation**

These interim condensed financial statements for the six months ended 30 June 2016, have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’. These interim condensed financial statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2015, which have been prepared in accordance with International Financial Reporting Standards.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**b. Going concern**

The construction of TGU's plant was funded by cash contributions from its parent Company, UEEGCL. On 31 July 2013, the parent Company decided that 25% of the capital contributed was to be converted to equity whilst the remaining 75% (\$568 million) was repayable on demand. In response, TGU commenced a US\$600 million financing exercise.

At 30 June 2016, TGU had current liabilities of US\$294.6 million due to third party financial institutions which mature on 30 September and 21 December 2016. Subsequently, on 7 July 2016, the Company secured a new short term loan of US\$600 million that matures in 12 months and used the proceeds to repay the two existing loans, amounting to US\$294.6 million in aggregate, as well as \$228 million to settle the balance due to the parent Company, UEEGCL.

These short term bridge loans were negotiated on the expectation that these loans would be repaid through long term debt financing which is currently being pursued by the Company. Should the Company not complete the refinancing in advance of these maturity dates, this may present a going concern risk to the Company.

Management and the Board of Directors have assessed this risk and the prospects for successfully completing the long term debt funding and the subsequent repayment of the short term loans prior to their maturity dates. Based on the assessment, Management and the Board of Directors believe that the timely completion of the long term debt funding is highly probable and have therefore concluded that these financial statements can be prepared on a going concern basis. This basis of preparation assumes that the Company will be able to realize its assets and discharge its liabilities in the ordinary course of business.

**c. Accounting policies**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**c. Accounting policies (continued)**

The nature and the effect of these changes are disclosed below. Although these new standards and amendments apply for the first time in 2016, they do not have a material impact on the annual financial statements of the Company or the interim condensed financial statements of the Company. The nature and the impact of each new standard or amendment are described below:

**IFRS 14 Regulatory Deferral Accounts** - IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Company is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

**Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests** - The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 Business Combinations principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Company as there has been no interest acquired in a joint operation during the period.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

2. **Significant accounting policies** (continued)

c. **Accounting policies** (continued)

**Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation** - The amendments clarify the principle in IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

**Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants** - The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 Agriculture. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact to the Company as the Company does not have any bearer plants.

**Amendments to IAS 27: Equity Method in Separate Financial Statements** - The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Company's financial statements.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Significant accounting policies (continued)**

**c. Accounting policies (continued)**

**Annual Improvements 2012 - 2014 Cycle**

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

- *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations* - Assets (or disposal Companies) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.
- *IFRS 7 Financial Instruments: Disclosures* - (i) *Servicing contracts* - The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments. (ii) *Applicability of the amendments to IFRS 7 to interim condensed financial statements* - The amendment clarifies that the offsetting disclosure requirements do not apply to interim condensed financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.
- *IAS 19 Employee Benefits* - The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**c. Accounting policies (continued)**

**Annual Improvements 2012 - 2014 Cycle (continued)**

These improvements are effective for annual periods beginning on or after 1 January 2016. They include: (continued)

- IAS 34 Interim Financial Reporting - The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

These amendments do not have any impact on the Company.

**Amendments to IAS 1 Disclosure Initiative** - The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Company.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Significant accounting policies (continued)**

**c. Accounting policies (continued)**

**Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception** - The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity, associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Company as the Company does not apply the consolidation exception.

**3. Critical accounting estimates and judgements**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimated uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 4. Standards and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim condensed financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- IFRS 15, 'Revenue from Contracts with Customers' – Effective 1 January 2018
- IFRS 16 Leases – Effective for annual periods beginning on or after 1 January 2019
- IFRS 9 Financial Instruments – Effective for annual periods beginning on or after 1 January 2018

The Company is currently assessing the potential impact of these new standards and interpretations.

#### 5. Financial risk management

##### (i) *Financial risk factors*

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The net investment in leased asset and therefore 100% of the Company's revenue is earned from one related party (T&TEC) under a Power Purchase Agreement (note 12), which is backed by a full Government of the Republic of Trinidad and Tobago guarantee for risk of defaults.

These interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements as at 31 December 2015. There have been no changes in any risk management policies.

##### (ii) *Liquidity risk factors*

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

#### 6. Property, plant and equipment

During the six months ended 30 June 2016, the Company acquired assets with cost of \$7.8 million (the six months ended 30 June 2015: \$6.9 million). For the same period, assets with Net Book Value of \$268 (2015: \$648) were transferred out from Property Plant and Equipment.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

	<b>Unaudited 30 June 2016 \$'000</b>	<b>Audited 31 December 2015 \$'000</b>
<b>7. Investment in leased assets</b>		
Finance lease - gross investment	2,642,904	2,695,405
Less: Unearned finance income	<u>(1,911,202)</u>	<u>(1,961,796)</u>
Net investment in leased asset	731,702	733,609
Less amounts due within one year	<u>(4,479)</u>	<u>(4,518)</u>
	<u>727,223</u>	<u>729,091</u>

The Company entered into a Power Purchase Agreement (PPA) for the supply of capacity and associated energy generated for a term of thirty (30) years from the commencement of Phase 1A commercial operations. The power plant was brought into operation in three phases. Each phase provided incremental capacity for power generation as follows:

Phase 1A commissioned on 31 July 2011	225MW
Phase 1B commissioned on 20 December 2011	225MW
Phase 2 commissioned on 18 December 2012	270MW

The provisions of the PPA were evaluated in accordance with IFRIC 4: "Determining whether an arrangement contains a lease" and IAS 17: "Leases". Phase 1A and Phase 1B were commissioned during 2011 and Phase 2 in 2012. Their related costs were transferred from capital work in progress and an investment in these assets was recognized in the respective years.

As at period/year end the gross investment and present value of receivables relating to future minimum lease payments were distributed as follows:

	<b>Unaudited 30 June 2016 Gross investment \$'000</b>	<b>Present value of receivable \$'000</b>	<b>Audited 31 December 2015 Gross investment \$'000</b>	<b>Present value of receivable \$'000</b>
Within 1 year	105,289	4,479	105,577	4,518
1 to 5 years	421,445	24,270	421,445	22,929
Over 5 years	<u>2,116,170</u>	<u>702,953</u>	<u>2,168,383</u>	<u>706,162</u>
	<u>2,642,904</u>	<u>731,702</u>	<u>2,695,405</u>	<u>733,609</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

	<b>Unaudited</b> <b>30 June 2016</b> <b>\$'000</b>	<b>Audited</b> <b>31 December 2015</b> <b>\$'000</b>
<b>8. Cash and short-term deposits</b>		
Cash at bank	20,045	31,755
Short-term deposits	<u>75,885</u>	<u>63,130</u>
	<u>95,930</u>	<u>94,885</u>

Cash at bank earn interest at floating rates based on daily bank deposit rates.

Short-term deposits are denominated in US dollars with maturity dates of 1 year, except one for \$885 with a 24 month maturity, (2015: 1 year) with interest rates ranging from 0.8% to 1.6% per annum (2015: 0.65% to 1.65% per annum).

	<b>Unaudited</b> <b>30 June 2016</b> <b>\$'000</b>	<b>Unaudited</b> <b>30 June 2015</b> <b>\$'000</b>
For the purpose of the statement of cash flows, cash and cash equivalents comprise:		
Cash at bank	<u>20,045</u>	<u>30,292</u>

**9. Related parties**

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operating decisions.

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission and Union Estate Electricity Generation Company Limited.

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any amounts due to or from related parties.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**9. Related parties (continued)**

The following table provides the details of transactions with and balances due to related parties for the year:

	<b>Unaudited 30 June 2016 \$'000</b>	<b>Audited 31 December 2015 \$'000</b>
<b>Due to related parties</b>		
Government of the Republic of Trinidad and Tobago	59	59
National Energy Corporation	—	322
Union Estate Electricity Generation Company Limited (UEEGCL)	<u>228,023</u>	<u>238,023</u>
	<u>228,082</u>	<u>238,404</u>

The amount due to UEEGCL of \$228,082 (2015: \$238,023) is unsecured, interest free and was fully settled in September 2016.

	<b>Unaudited 30 June 2016 \$'000</b>	<b>Audited 31 Dec 2015 \$'000</b>
<b>Due from related parties</b>		
Trinidad and Tobago Electricity Commission	<u>19,929</u>	<u>10,674</u>
	<b>Unaudited 30 June 2016 \$'000</b>	<b>Unaudited 30 June 2015 \$'000</b>
<b>Purchases from related parties</b>		
National Energy Corporation of Trinidad & Tobago - Lease rental	<u>167</u>	<u>167</u>
<b>Sales to related parties</b>		
- Trinidad and Tobago Electricity Commission	<u>51,845</u>	<u>50,818</u>
<b>Compensation of key management personnel</b>		
- Short-term employee benefits	<u>553</u>	<u>624</u>

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of members of key management personnel is a component of administration expenses in the interim condensed statement of comprehensive income. The amount expensed during the period is shown above.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**9. Related parties (continued)**

**Issue of shares**

On 15 May 2015 the Company issued additional ordinary shares of no par or nominal value to its parent, Union Estate Electricity Generation Company Limited. The consideration for these shares was settled by the capital of \$189,399,000 dollars previously contributed and standing to the credit of the parent. As a consequence, the Issued and Fully Paid Share capital of the Company reflects an increase by the \$189,399,000 dollars with an equal decrease in the capital contribution balance.

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>10. Short term loans</b>		
TT Dollar Denominated (TTD960 million)	144,578	150,237
US Dollar Denominated (USD150 million)	<u>150,000</u>	<u>150,000</u>
	<u>294,578</u>	<u>300,237</u>

The TT dollar denominated loan, held with First Citizens Bank Limited in the amount of TTD960 million, was drawn on 30 September 2015 and matures at the end of 12 months. Interest is based on the TTD Open Market Operations Index plus 155 basis points (effective 3.3% per annum) and is payable semi-annually. The loan was repaid on 7 July 2016 and was secured by assignment of the proceeds of the Power Purchase Agreement (PPA).

The US dollar denominated loan, held with Credit Suisse in the amount of USD150 million, was drawn on 21 December 2015 and matures at the end of 12 months. Interest is based on US dollar 3-month Libor plus 287.5 basis points (effective 3.4984% per annum), and is payable quarterly. The loan was repaid on 7 July 2016 and was secured by assignment of the proceeds of the Power Purchase Agreement (PPA).

The two loans referenced above were fully repaid from the proceeds of a new short term loan of US\$600 million raised on 7 July 2016. This new short-term facility matures on 5 July 2017 and carries interest at 3-month Libor plus a margin that starts at 2.875% and increments by 0.125% at each quarterly interest payment date.

The terms of the agreement mandates certain restrictions on the Company, including restriction on the issue of shares, incurring additional debt and the payment of dividends as well as incurring capital expenditure in excess of US\$17.5 million dollars, without the expressed permission of the lenders. These loan agreements contain financial covenants requiring the Company to maintain certain interest cover and leverage ratios of 3:1 and 6:1, respectively. The Company is in compliance with these covenants as at the date of approval of these interim condensed financial statements.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

	<b>Unaudited 30 June 2016 \$'000</b>	<b>Unaudited 30 June 2015 \$'000</b>
<b>11. Taxation</b>		
Taxation charge for the year:		
Business levy	324	105
Green fund levy	160	53
Deferred tax	<u>8,267</u>	<u>11,197</u>
	<u>8,751</u>	<u>11,355</u>

Effective 1 January 2016, the applicable rates of business levy and green fund levy increased to 0.6% (previously 0.2%) and 0.3% (previously 0.1%) respectively of gross receipts for the period.

At 30 June 2016, the Company has unutilized tax loss of \$313.7 million (2015: \$382.2 million) that are available indefinitely for offset against future taxable profits.

**12. Commitments**

**Capital commitments**

As at 30 June 2016, the Company had no major capital commitments (2015: \$4.9 million).

**Contractual commitments**

On 15 September 2009, the Company entered into a Power Purchase Agreement for 30 years with Alutrint Limited (Alutrint) and the Trinidad and Tobago Electricity Commission (T&TEC) as buyers in which each of the buyers is jointly and separately obligated to fulfilling the terms and conditions of the agreement which provides inter alia for the sale of the maximum available output of the plant. In accordance with the power purchase agreement these obligations would commence once Phase 1A of the plant is operational. Phase 1A became operational in 31 July 2011, Phase 1B on 20 December 2011, and Phase 2 became operational on 18 December 2012.

In 2011, the agreement to deliver output to Alutrint was discontinued, resulting in the full output of the plant being designated to T&TEC. The obligations of T&TEC under the Power Purchase Agreement are unconditionally guaranteed by the Government of Trinidad & Tobago. The total capacity of the plant is dedicated to T&TEC.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**12. Commitments (continued)**

**Financing commitment**

In July 2015, the Board of Directors approved and invited bids for long term financing in the amount of US\$600 million for the purpose of repaying the amount owed to the parent company (UEEGCL) in the sum of \$568 million.

On 30 September 2015 and on 21 December 2015, respectively, the Company entered into one (1) year loan agreements for bridge facilities to the intended long term financing. On 7 July 2016, another short term loan of US\$600 million was secured and the proceeds used to repay in full the two previous loans, and to settle the balance due to the parent company (UEEGCL) of \$228 million.

The Company is currently undertaking the process to complete the long term funding.

**13. Fair value of financial instruments**

The carrying amounts of the Company's cash and short-term deposits, trade and other receivables, trade and other payables, short term loans, and due to related parties approximate their fair value, in view of their short-term maturities of a year or less. The fair value of the financial instruments is presented below:

	<b>Unaudited</b>		<b>Audited</b>	
	<b>30 June 2016</b>		<b>31 December 2015</b>	
	<b>Carrying</b>	<b>Fair</b>	<b>Carrying</b>	<b>Fair</b>
	<b>amount</b>	<b>value</b>	<b>amount</b>	<b>value</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets:</b>				
Net investment in leased asset	731,702	1,241,973	733,609	1,274,749
Cash and short-term deposits	95,930	95,930	94,885	94,885
Trade and other receivables	19,929	19,929	10,674	10,674
<b>Financial liabilities:</b>				
Trade and other payables	5,525	5,525	6,861	6,861
Due to related parties	228,082	228,082	238,404	238,404
Short term loans	294,578	294,578	300,237	300,237

The fair value of the leased asset was estimated using relevant industry and market observable data to arrive at a proxy for fair value at year end.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### **14. Dividends**

On 25 August 2015, a final dividend for 2014 of \$190 million (dividend per share of \$1 dollar) and an interim dividend of \$32 million (dividend per share of 17 cents) for 2015 were approved by the Board of Directors. The final and interim dividends (\$222 million in aggregate) were charged against retained earnings and were all paid during the second half of 2015 except for \$4 million dollars which was paid in June 2016.

#### **15. Seasonality of operations**

The business of the Company is not characterised by seasonality. However, lease income as recognised within the interim condensed statement of comprehensive income, is based on a pattern reflecting a constant period rate of return on the net investment in leased asset. Overall, operating results may not be evenly spread throughout the year due to a range of factors including but not limited to, plant maintenance activities.

#### **16. Events after the reporting period**

On 7 July 2016, the Company secured a new short term loan of \$600 million that matures in 12 months. The proceeds were used to repay the two existing loans, amounting to \$294.6 million in aggregate, and the balance due to the parent (UEEGCL) amounting to \$228 million. The new loan carries interest at 3-month Libor plus a margin that starts at 2.875% and increments by 0.125% at each quarterly interest payment date.

The terms of the agreement mandates certain restrictions on the Company, including restriction on the issue of shares, incurring additional debt and the payment of dividends as well as incurring capital expenditure in excess of US\$17.5 million, without the expressed permission of the lenders. These loan agreements contain financial covenants requiring the Company to maintain certain interest cover and leverage ratios of 3:1 and 6:1, respectively. The Company is in compliance with these covenants as at the date of approval of the interim condensed financial statements.

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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED

We have audited the accompanying financial statements of Trinidad Generation Unlimited ("the Company") which comprise the statements of financial position as at 31 December 2015 and 2014, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and 2014, and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

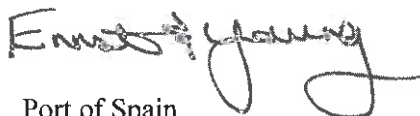
## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED (continued)

### Other Matters

As described in Note 2 (a), these financial statements have been reissued to take effect of certain subsequent events as disclosed in Note 24: "Events after the reporting period". In our auditor's report dated 18 February 2016 in respect of the previously issued financial statements as at 31 December 2015 and for the year ended, we included an Emphasis of Matter paragraph on Going Concern. Note 2 (b) of these financial statements, has been updated by the Company to include subsequent information relative to the repayment of the short term loans and the pursuance of long term financing.

In our auditor's report dated 3 November, 2015, in respect of the financial statements as at 31 December 2014 and for the year ended, our opinion was qualified in respect of our inability to conclude on the completeness and accuracy of inventory of \$8.7 million as at 31 December, 2014. Subsequent to the issuance of those 2014 financial statements we were able to perform alternative audit procedures to conclude on the accuracy and completeness of the stated inventory balance as at 31 December 2014.



Port of Spain  
TRINIDAD  
10 October 2016

TRINIDAD GENERATION UNLIMITED

STATEMENT OF FINANCIAL POSITION

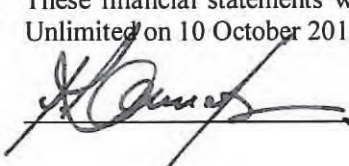
AS AT 31 DECEMBER 2015

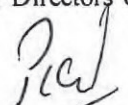
(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	25,016	17,265
Net investment in leased assets	6	729,091	733,609
Deferred tax assets	18	<u>85,956</u>	<u>105,487</u>
		<u>840,063</u>	<u>856,361</u>
<b>Current assets</b>			
Cash and short-term deposits	7	94,885	91,582
Net investment in leased assets	6	4,518	3,755
Trade and other receivables	8	11,383	186,134
Tax recoverable		1,001	1,003
Inventories	9	<u>9,403</u>	<u>8,724</u>
		<u>121,190</u>	<u>291,198</u>
<b>TOTAL ASSETS</b>		<u>961,253</u>	<u>1,147,559</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	10	189,400	1
Capital contributions	11	—	189,399
Retained earnings		<u>42,390</u>	<u>203,024</u>
		<u>231,790</u>	<u>392,424</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	18	<u>179,945</u>	<u>177,786</u>
<b>Current liabilities</b>			
Trade and other payables	12	6,861	4,235
Dividends payable	23	4,000	4,000
Due to related parties	13	238,404	568,404
Short term loans	14	300,237	—
Tax payable		<u>16</u>	<u>710</u>
		<u>549,518</u>	<u>577,349</u>
<b>Total liabilities</b>		<u>729,463</u>	<u>755,135</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>961,253</u>	<u>1,147,559</u>

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

These financial statements were authorized for issue by the Board of Directors of Trinidad Generation Unlimited on 10 October 2016 and signed on their behalf by:

 : Director

 : Director

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2015 \$'000	2014 \$'000
<b>Revenue</b>			
Finance lease income		101,534	101,916
Other revenue	15	<u>3,887</u>	<u>3,804</u>
		<u>105,421</u>	<u>105,720</u>
<b>Expenses</b>			
Administrative expenses	16 (a)	(13,943)	(13,892)
Operating expenses	16 (b)	<u>(10,193)</u>	<u>(6,381)</u>
		<u>(24,136)</u>	<u>(20,273)</u>
<b>Operating profit</b>		81,285	85,447
Finance expenses	17	(4,731)	(5)
Finance income	17	<u>6,848</u>	<u>7,332</u>
<b>Profit before tax</b>		83,402	92,774
Taxation	18	<u>(22,036)</u>	<u>(23,314)</u>
<b>Net profit for the year</b>		61,366	69,460
Other comprehensive income		<u>—</u>	<u>—</u>
<b>Total comprehensive income</b>		<u>61,366</u>	<u>69,460</u>

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

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	<b>Stated capital \$'000</b>	<b>Capital contributions \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total \$'000</b>
<b>Year ended 31 December 2015</b>				
Balance at 1 January 2015	1	189,399	203,024	392,424
Dividends proposed (Note 23)	—	—	(222,000)	(222,000)
Comprehensive income for the year	—	—	61,366	61,366
Issue of new ordinary shares (Note 10)	<u>189,399</u>	<u>(189,399)</u>	—	—
Balance at 31 December 2015	<u>189,400</u>	—	<u>42,390</u>	<u>231,790</u>
<b>Year ended 31 December 2014</b>				
Balance at 1 January 2014	1	189,399	134,564	323,964
Dividends proposed (Note 23)	—	—	(1,000)	(1,000)
Comprehensive income for the year	—	—	<u>69,460</u>	<u>69,460</u>
Balance at 31 December 2014	<u>1</u>	<u>189,399</u>	<u>203,024</u>	<u>392,424</u>

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2015 \$'000	2014 \$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		83,402	92,774
Adjustments for:			
Depreciation	5	1,941	1,858
Other movements		—	(264)
Loss on disposal of property, plant and equipment		900	664
Interest income net of interest expense		<u>(2,175)</u>	<u>(7,081)</u>
<b>Operating profit before changes in working capital</b>		84,068	87,951
Decrease/(increase) in trade and other receivables		166,444	(78,484)
Increase in inventories		(679)	(2,676)
Decrease in amounts due to related parties (excluding financing activities)		—	(1,522)
Increase in trade and other payables		<u>1,403</u>	<u>179</u>
<b>Net cash generated from operations</b>		251,236	5,448
Interest received		15,154	321
Financing fees paid		(3,450)	—
Finance lease collections		3,754	3,366
Tax paid		<u>(1,037)</u>	<u>(111)</u>
<b>Net cash generated from operations</b>		<u>265,657</u>	<u>9,024</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	5	(10,591)	(273)
Investment in short term deposits		<u>(3,130)</u>	<u>(10,000)</u>
<b>Net cash used in investing activities</b>		<u>(13,721)</u>	<u>(10,273)</u>
<b>Cash flows from financing activities</b>			
Dividends paid	23	(222,000)	—
Repayment of financing contributions due to parent company		(330,000)	—
Proceeds from short term loans	14	<u>300,237</u>	<u>—</u>
<b>Net cash used in financing activities</b>		<u>(251,763)</u>	<u>—</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		173	(1,249)
<b>Cash and cash equivalents</b>			
- at the beginning of the year		<u>31,582</u>	<u>32,831</u>
- at the end of the year	7	<u>31,755</u>	<u>31,582</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**1. Corporate information**

Trinidad Generation Unlimited (“TGU” or “the Company”) was incorporated in December 2006, and resides in the Republic of Trinidad and Tobago with its registered office situated at Third Floor, Mulchan Seuchan Road, Chaguanas. The Company’s principal activity is to engage in the acquisition, construction, ownership, and the operation, management and maintenance of power generation facilities.

The Company is wholly owned by Union Estate Electricity Generation Company Limited (“UEEGCL”), an entity controlled by the Government of the Republic of Trinidad and Tobago (“GORTT”).

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission (“T&TEC”) and TGU’s parent company UEEGCL.

TGU owns and operates a power generation plant in La Brea, Trinidad, and has entered into a 30 year Power Purchase Agreement (“PPA”) with T&TEC dated 15 September 2009 for the provision of capacity and associated energy generated by the plant to T&TEC. Based on the evaluation of the terms of the PPA, TGU has accounted for the PPA as a finance lease in accordance with IAS 17: “Leases”.

**2. Significant accounting policies**

**a. Basis of preparation**

These financial statements are prepared under the historical cost convention and are presented in United States dollars which is the Company’s functional currency.

These financial statements for the year ended 31 December, 2015 have been re-approved by the Board of Directors on 10 October, 2016 (relative to the financial statements which were previously approved and issued on 18 February, 2016) and are re-issued for the purpose of inclusion in an Offering Memorandum and to take effect of certain subsequent events which are further described in Note 24: “Events after the reporting period”.

*Statement of compliance*

The financial statements of the Company have been prepared with reference to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**b. Going concern**

The construction of TGU's plant was funded by cash contributions from its parent, UEEGCL. On 31 July 2013, the parent decided that 25% of the capital contributed was to be converted to equity whilst the remaining 75% (\$568 million) was repayable on demand. In response TGU commenced a US\$600 million financing exercise.

At 31 December 2015, TGU had current liabilities of US\$300.2 million due to third party financial institutions of which \$150.2 million matures on 30 September and \$150 million matures on 21 December 2016. Subsequently, on 7 July 2016, the Company secured a new short term loan of US\$600 million, with Credit Suisse, that matures in 12 months (5 July 2017) and used the proceeds to repay these two existing short term loans, amounting to US\$294.6 million in aggregate at the time of repayment, as well as to repay the remaining amount due to the Parent Company, UEEGCL, of \$228 million.

These short term bridge loans were negotiated on the expectation that these loans would be repaid through long term debt financing which is currently being pursued by the Company. Should the Company not complete the refinancing in advance of these maturity dates, this may present a going concern risk to the Company.

Management and the Board of Directors have assessed this risk and the prospects for successfully completing the long term debt funding and the subsequent repayment of the short term loan due to Credit Suisse prior to the maturity date. Based on the assessment, Management and the Board of Directors believe that the timely completion of the long term debt funding is highly probable and have therefore concluded that these financial statements can be prepared on a going concern basis. This basis of preparation assumes that the Company will be able to realize its assets and discharge its liabilities in the ordinary course of business.

**c. Changes in accounting policy and disclosures**

***Standards issued and effective***

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2014, except for the standards and interpretations described below.

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015, however there was no impact on the amounts reported and/or disclosed in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015  
(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**c. Changes in accounting policy and disclosures (continued)**

*Standards issued and effective (continued)*

**Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions – Effective 1 July 2014**

These amendments require consideration of contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, recognition of such contributions as a reduction in the service cost in the period in which the service is rendered is permitted, instead of allocating the contributions to the periods of service. This amendment has no impact on the Company's financial statements.

**Annual Improvements to IFRSs 2010-2012 Cycle – Published December 2013**

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards:

- IFRS 2, 'Share-based Payment'
- IFRS 3, 'Business Combinations'
- IFRS 8, 'Operating Segments'
- IFRS 13, 'Fair Value Measurement'
- IAS 16, 'Property, Plant and Equipment'
- IAS 24, 'Related Party Disclosures'
- IAS 38, 'Intangible Assets'

These improvements are effective for annual periods beginning on or after 1 July 2014 and had no impact on the financial statements.

**Annual Improvements to IFRSs 2011-2013 Cycle – Published December 2013**

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards:

- IFRS 1, 'First-time Adoption of International Financial Reporting Standards'
- IFRS 3, 'Business Combinations'
- IFRS 13, 'Fair Value Measurement'
- IAS 40, 'Investment Property'

These improvements were effective for annual periods beginning on or after 1 July 2014 and had no impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**d. Foreign currency translation**

The financial statements are presented in United States dollars, which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies (other than United States dollars) are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange ruling at the reporting date. Any resulting exchange differences are included in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost and denominated in a foreign currency are translated into the functional currency using the rates of exchange as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

**e. Property, plant and equipment**

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is charged on a straight line basis at rates estimated to write off the assets over their estimated useful life, as follows:

	%
Computer equipment	33 <sup>1</sup> / <sub>3</sub>
Communication equipment	33 <sup>1</sup> / <sub>3</sub>
Machinery and equipment	25
Office furniture and equipment	25
Vehicles	25
Capital spares	3 <sup>1</sup> / <sub>3</sub> -11 <sup>1</sup> / <sub>9</sub>

Capital work in progress (CWIP) represents on-going capital works which were not completed at year end and therefore not depreciated.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**e. Property, plant and equipment (continued)**

The plant has been brought into operation in three phases, Phase 1A, Phase 1B and Phase 2 in accordance with the Power Purchase Agreement (PPA). The PPA was evaluated in accordance with the provisions of IFRIC 4 (refer to Note 2 e). This evaluation has resulted in the recognition of a leased asset related to the power plant (refer to Note 6).

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

**f. Leases**

In accordance with IFRIC 4, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases where the lessor effectively retains substantially all risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Where substantially all the risks and rewards incidental to ownership of the asset are transferred to the lessee the lease is a finance lease. Finance leases are capitalized at the commencement of the lease at the fair value of the asset or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets held under a finance lease are recognized in the statement of financial position and presented as a recoverable balance at an amount equal to the net investment in the lease. Interest income and finance charges are recognized in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**f. Leases (continued)**

Based on the analysis of IFRIC 4, the Company concluded that the arrangement as described in the PPA contains a lease and qualifies for accounting as a finance lease in accordance with IAS 17 “Leases”.

**g. Financial instruments**

*Financial assets*

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

The Company’s financial assets include net investment in leased asset, cash and cash equivalents and trade and other receivables.

*Financial liabilities*

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

The Company’s financial liabilities include short term loans, trade and other payables and due to related parties.

**h. Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

*Assets carried at amortised cost*

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**h. Impairment of financial assets (continued)**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are de-recognised when they are assessed as uncollectible.

**i. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**2. Significant accounting policies (continued)**

**i. Impairment of non-financial assets (continued)**

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

**j. Cash and cash equivalents**

Cash and short-term deposits comprise of cash held in depository bank accounts and one year term deposits held as at the reporting date.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash at bank and deposits in banks with an original maturity of three months or less.

**k. Trade and other receivables**

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

**l. Inventories**

Inventories which consist of consumable spares and minor tools and equipment are carried at the lower of cost and net realisable value. Cost is determined based on the weighted average unit cost method.

**m. Trade and other payables**

Liabilities for trade and other payables which are normally settled on a 30-90 day terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**n. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes.

Interest income is recognized as it accrues unless collectability is in doubt.

**Lease revenue**

The recognition of lease income is based on a pattern reflecting a constant period rate of return on the net investment in leased asset. Contingent rents are recognised in the period in which they are earned.

**o. Taxation**

*Current tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

*Deferred tax*

Deferred income tax is provided, using the liability method, on all temporary differences at the year-end date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profit will allow all parts of the deferred tax asset to be utilized.

**p. Stated capital**

Stated capital is classified within equity and is recognized at the fair value of the consideration received by the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**q. Capital contributions**

The funds provided by the shareholder (UEEGCL) had been classified under capital contributions and classified within equity in accordance with the Shareholders' Agreement and was recognised at the fair value of the consideration received by the Company. The balance has been reduced to nil following its utilization to settle the consideration due for the issue of additional Ordinary shares to the parent.

**r. Dividends proposed**

The Company recognises a liability to make dividend distributions to the parent in the period in which the dividends are approved by the Board of Directors.

**s. Comparative information**

Where necessary, comparative information has been reclassified to conform with changes in presentation in the current year. These changes relate to the reclassification of prior year expenses within the operating and administrative expense categories based on their nature and have no effect on net income for the current or previous years.

**3. Significant accounting estimates, assumptions and judgments**

The preparation of the financial statements in conformity with IFRS necessitates the use of estimates, assumptions and judgments. These estimates and assumptions affect the reported amounts of assets and liabilities and contingent liabilities at year end as well as affecting the reported income and expenses for the year.

Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future years.

**Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**3. Significant accounting estimates, assumptions and judgments (continued)**

*Operating lease commitments – Company as lessee*

The Company has entered into vehicle and land leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the asset, that it does not obtain all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

*Finance lease commitments – Company as lessor*

Leases are classified as finance leases whenever based on management's evaluation of the terms and conditions of the arrangement, the terms of the lease transfer substantially all of the risks and rewards of ownership from the lessor. All other leases are classified as operating leases.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These assumptions and estimates are based on parameters existing and available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company.

*Property, plant & equipment*

Management exercises judgment in determining the useful lives of categories of property plant and equipment and the appropriate method of depreciation.

*Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**4. Standards and interpretations issued but not yet effective**

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception – Effective 1 January 2016
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Effective 1 January 2016
- Amendments to IFRS 11 – Accounting for Acquisition of Interests in Joint Operations – Effective 1 January 2016
- IFRS 14, 'Regulatory Deferral Accounts' – Effective 1 January 2016
- Amendments to IAS 1 – Disclosure Initiative – Effective 1 January 2016
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation – Effective 1 January 2016
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants – Effective 1 January 2016
- Amendments to IAS 27 – Equity Method in Separate Financial Statements – Effective 1 January 2016
- IFRS 15, 'Revenue from Contracts with Customers' – Effective 1 January 2018
- IFRS 16 Leases – Effective for annual periods beginning on or after 1 January 2019
- IFRS 9 Financial Instruments – Effective for annual periods beginning on or after 1 January 2018
- Annual Improvements 2012-2014 Cycle – These improvements are effective for annual periods beginning on or after 1 January 2016. They include:
  - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
  - IFRS 7 Financial Instruments: Disclosures
  - IAS 19 Employee Benefits
  - IAS 34 Interim Financial Reporting

The Company is currently assessing the potential impact of these new standards and interpretations.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**5. Property, plant and equipment**

	<b>Machinery &amp; equipment</b>	<b>Other assets</b>	<b>Capital spares</b>	<b>CWIP</b>	<b>2015 Total</b>	<b>2014 Total</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>						
Balance at 1 January	1,400	2,196	18,009	—	21,605	21,996
Additions	189	54	2,642	7,706	10,591	273
Disposals and other movements	—	—	(993)	—	(993)	(664)
Balance at 31 December	<u>1,589</u>	<u>2,250</u>	<u>19,658</u>	<u>7,706</u>	<u>31,203</u>	<u>21,605</u>
<b>Accumulated depreciation</b>						
Balance at 1 January	342	848	3,150	—	4,340	2,482
Charge for the year	59	192	1,690	—	1,941	1,858
Disposals and other movements	—	—	(94)	—	(94)	—
Balance at 31 December	<u>401</u>	<u>1,040</u>	<u>4,746</u>	<u>—</u>	<u>6,187</u>	<u>4,340</u>
<b>Net book value</b>	<u><b>1,188</b></u>	<u><b>1,210</b></u>	<u><b>14,912</b></u>	<u><b>7,706</b></u>	<u><b>25,016</b></u>	<u><b>17,265</b></u>

<b>6. Investment in leased assets</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Finance lease - gross investment	2,695,405	2,800,694
Less: Unearned finance income	<u>(1,961,796)</u>	<u>(2,063,330)</u>
Net investment in leased asset	733,609	737,364
Less amounts due within one year	<u>(4,518)</u>	<u>(3,755)</u>
	<u><b>729,091</b></u>	<u><b>733,609</b></u>

The Company entered into a Power Purchase Agreement (PPA) for the supply of capacity and associated energy generated for a term of thirty (30) years from the commencement of Phase 1A commercial operations. The power plant was brought into operation in three phases. Each phase provided incremental capacity for power generation as follows:

Phase 1A commissioned on 31 July 2011	225MW
Phase 1B commissioned on 20 December 2011	225MW
Phase 2 commissioned on 18 December 2012	270MW

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**6. Investment in leased assets (continued)**

The provisions of the PPA were evaluated in accordance with IFRIC 4: “Determining whether an arrangement contains a lease” and IAS 17: “Leases”. Phase 1A and Phase 1B were commissioned during 2011 and Phase 2 in 2012. Their related costs were transferred from capital work in progress and an investment in these assets was recognized in the respective years.

As at 31 December the gross investment and present value of receivables relating to future minimum lease payments were distributed as follows:

	<b>2015</b>		<b>2014</b>	
	<b>Gross investment</b>	<b>Present value of receivable</b>	<b>Gross investment</b>	<b>Present value of receivable</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Within 1 year	105,577	4,518	105,289	3,755
1 to 5 years	421,445	22,929	421,445	20,478
Over 5 years	<u>2,168,383</u>	<u>706,162</u>	<u>2,273,959</u>	<u>713,131</u>
	<u>2,695,405</u>	<u>733,609</u>	<u>2,800,693</u>	<u>737,364</u>

<b>7. Cash and short-term deposits</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	31,755	31,582
Short-term deposits	<u>63,130</u>	<u>60,000</u>
	<u>94,885</u>	<u>91,582</u>

Cash at bank earn interest at floating rates based on daily bank deposit rates.

Short-term deposits include US dollar and TT dollar denominated deposits with maturity dates of 1 year (2014: 1 year) with interest rates ranging from 0.65% to 1.65% per annum (2014: 0.32% per annum to 0.65% per annum).

For the purpose of the statement of cash flows, cash and cash equivalents comprise:	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	<u>31,755</u>	<u>31,582</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**8. Trade and other receivables**

Trade receivables – T&TEC	1,970	168,792
Accrued revenues – T&TEC	8,704	17,323
Prepayments and other receivables	<u>709</u>	<u>19</u>
	<u>11,383</u>	<u>186,134</u>

Trade receivables and accrued revenues of \$10,674 (2014: \$186,115) are in respect of amounts due from a related party (Refer to note 13).

As at 31 December, the ageing analysis of trade receivables and accrued revenues is as follows:

	<b>Total</b>	<b>Current</b>	<b>Past due but not impaired</b>		
			<b>&gt;30 to 60 days</b>	<b>&gt;60 to 90 days</b>	<b>&gt; 90 days</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2015</b>	10,674	10,674	—	—	—
<b>2014</b>	186,115	15,637	14,200	7,685	148,593

<b>9. Inventories</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Spare parts	9,264	8,406
Materials in transit	<u>139</u>	<u>318</u>
	<u>9,403</u>	<u>8,724</u>

**10. Stated capital**

*Authorized*

Unlimited number of Ordinary shares at par value

*Issued and fully paid*

189,400,000 (2014: 1,000) Ordinary shares at no par value 189,400 1

A reconciliation of the issued and fully paid ordinary shares is summarised below:

	<b>#'000 of shares</b>	<b>\$'000</b>
At 31 December 2014	1	1
Issued on 15 May 2015	<u>189,399</u>	<u>189,399</u>
At 31 December 2015	<u>189,400</u>	<u>189,400</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

<b>11. Capital contributions</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Union Estate Electricity Generation Company Limited (UEEGCL)	<u>—</u>	<u>189,399</u>

On 15 May 2015 the Company issued additional ordinary shares of no par or nominal value to its parent, Union Estate Electricity Generation Company Limited. The consideration for these shares was settled by the capital of \$189,399,000 dollars previously contributed and standing to the credit of the parent. As a consequence, the Issued and Fully Paid Share capital of the Company reflects an increase by the \$189,399,000 dollars with an equal decrease in the capital contribution balance.

<b>12. Trade and other payables</b>	<b>2015</b>	<b>2014</b>
	<b>\$'000</b>	<b>\$'000</b>
Trade payables	1,371	352
Other payables	<u>5,490</u>	<u>3,883</u>
	<u>6,861</u>	<u>4,235</u>

Trade payables are non-interest bearing and are normally on 30-day terms.

**13. Related parties**

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operating decisions.

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission and Union Estate Electricity Generation Company Limited.

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any amounts due to or from related parties except as stated in note 20.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**13. Related parties (continued)**

The following table provides the details of transactions with and balances due to related parties for the year:

	<b>2015</b>	<b>2014</b>
<b>Due to related parties</b>	<b>\$'000</b>	<b>\$'000</b>
Government of the Republic of Trinidad and Tobago	59	59
National Energy Corporation	322	322
Union Estate Electricity Generation Company Limited (UEEGCL)	<u>238,023</u>	<u>568,023</u>
	<u>238,404</u>	<u>568,404</u>

The amount due to UEEGCL of \$238,023 (2014: \$568,023) is unsecured, interest free and expected to be settled upon consummation of an international debt offering by TGU.

During the year, short term financing in the amount of \$300,000 plus internal cash funding of \$30,000 were used to repay a portion of the amounts due to UEEGCL. Subsequently, the balance owed as at 31 December 2015 was fully settled by September 2016 as described in Note 24 below.

	<b>2015</b>	<b>2014</b>
<b>Due from related parties</b>	<b>\$'000</b>	<b>\$'000</b>
Trinidad and Tobago Electricity Commission (Note 8)	<u>10,674</u>	<u>186,115</u>
<b>Purchases from related parties</b>		
National Energy Corporation of Trinidad & Tobago - Lease rental	<u>334</u>	<u>334</u>
<b>Sales to related parties</b>		
Trinidad and Tobago Electricity Commission	<u>105,417</u>	<u>105,720</u>
<b>Compensation of key management personnel</b>		
Short-term employee benefits	<u>1,172</u>	<u>856</u>

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of members of key management personnel is a component of administration expenses in the statement of comprehensive income. The amount expensed during the year is shown above.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

<b>14. Short term loans</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
TT Dollar Denominated (TTD960 million)	150,237	—
US Dollar Denominated (USD150 million)	<u>150,000</u>	<u>—</u>
	<u>300,237</u>	<u>—</u>

The TT dollar denominated loan, held with First Citizens Bank Limited, in the amount of TTD960 million was drawn on 30 September 2015 and matures at the end of 12 months. Interest is based on the TTD Open Market Operations Index plus 155 basis points (effective 2.8% per annum) and is payable semi-annually. The loan can be prepaid and is secured by assignment of the proceeds of the Power Purchase Agreement (PPA).

The US dollar denominated loan, held with Credit Suisse, in the amount of USD150 million was drawn on 21 December 2015 and matures at the end of 12 months. Interest is based on US dollar 3-month Libor plus 287.5 basis points (effective 3.4605% per annum), and is payable quarterly. The loan can be prepaid and is secured by assignment of the proceeds of the Power Purchase Agreement (PPA).

The proceeds of both loans in the amounts of \$300,000 plus \$30,000 of internal cash were used to pay down the balance owing to the parent (refer to Note 13).

The terms of the agreement mandates certain restrictions on the Company, including restriction on the issue of shares, incurring additional debt and the payment of any dividends as well as incurring capital expenditure in excess of US\$20 million dollars, without the expressed permission of the lenders. These loan agreements contains financial covenants requiring the Company to maintain certain interest cover and leverage ratios of 2:1 and 3:1 respectively. The Company is in compliance with these covenants as at year end.

The two loans referenced above were fully repaid from the proceeds of a new short term loan with Credit Suisse of US\$600 million raised on 7 July 2016. This is explained further within Note 24 below.

<b>15. Other revenue</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
Capacity revenues – CPI adjustment	3,635	3,603
Energy delivered revenues	248	201
Miscellaneous	<u>4</u>	<u>—</u>
	<u>3,887</u>	<u>3,804</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

<b>16. Expenses</b>	<b>2015 \$'000</b>	<b>2014 \$'000</b>
<b>a. Administrative expenses</b>		
Staff costs (refer to Note 16 c)	5,309	5,059
Insurance	3,276	3,518
Depreciation	1,941	1,858
Professional and legal fees	1,139	1,181
Events and community work	770	854
Travel and motor vehicle expenses	517	526
Rent	382	397
IT expenses	336	360
Utilities	179	120
Other	<u>94</u>	<u>19</u>
	<u>13,943</u>	<u>13,892</u>
<b>b. Operating expenses</b>		
Parts and supplies	2,489	863
Contracted services	3,533	1,677
Contract labour	1,648	2,109
Inspections	873	353
Safety and security	568	460
Repairs and maintenance	372	245
Training	204	334
Other	<u>506</u>	<u>340</u>
	<u>10,193</u>	<u>6,381</u>
<b>c. Staff costs</b>		
Salaries and wages	2,713	2,776
Allowances, subsistence and other benefits	2,387	2,085
Pension contributions	<u>209</u>	<u>198</u>
	<u>5,309</u>	<u>5,059</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

	2015 \$'000	2014 \$'000
<b>17. Finance expenses</b>		
Financing fees	3,451	—
Interest expense	1,260	—
Loss on foreign exchange	15	—
Bank charges	<u>5</u>	<u>5</u>
	<u>4,731</u>	<u>5</u>
<b>Finance income</b>		
Interest income	6,848	7,081
Gain on foreign exchange	<u>—</u>	<u>251</u>
	<u>6,848</u>	<u>7,332</u>
<b>18. Taxation</b>		
Taxation charge for the year:		
Business levy	230	211
Green fund levy	115	106
Deferred tax	<u>21,691</u>	<u>22,997</u>
	<u>22,036</u>	<u>23,314</u>
A reconciliation of the expected income tax expense determined using the statutory tax rate of 25% to the effective income tax expense is as follows:		
Profit before taxation	<u>83,402</u>	<u>92,774</u>
Income taxes thereon at the rate of 25%	20,851	23,194
Tax effect of non-deductible expenses	949	111
Tax effect of income not taxable/allowances	(109)	(125)
Business levy	230	211
Green fund levy	115	106
Other	<u>—</u>	<u>(183)</u>
	<u>22,036</u>	<u>23,314</u>

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

18. Taxation (continued)	2015 \$'000	2014 \$'000
Significant components of deferred tax are as follows:		
<b>Deferred tax assets:</b>		
Tax losses	85,641	105,487
Interest payable	<u>315</u>	<u>—</u>
<b>Deferred tax liabilities:</b>	<u>85,956</u>	<u>105,487</u>
Finance lease	178,235	177,453
Property, plant and equipment	<u>1,710</u>	<u>333</u>
	<u>179,945</u>	<u>177,786</u>

The Company has unutilized tax losses of \$342.6 million (2014: \$421.9 million) that are available indefinitely for offset against future taxable profits. Deferred tax assets have been recognized for the carry forward of these unused tax losses to the extent that it is possible that future tax profits will be available against which the tax losses can be utilized. There are no unrecognized deferred tax assets for the current or prior year.

**19. Operating lease commitments**

The Company has entered into a 30 year lease agreement commencing 15 January 2009 with the National Energy Corporation of Trinidad and Tobago for the lease of 149.955 hectares of land situated in La Brea, Trinidad. The rental lease expense of \$333,900 dollars is recorded in administrative expenses for the year ended 31 December 2015 (2014: \$333,900 dollars).

The Company also holds operating leases for its motor vehicles. The motor vehicle lease expense of \$266,923 dollars is recorded in administrative expenses for the year ended 31 December 2015 (2014: \$198,322 dollars).

Future minimum rentals payable under the operating leases as at 31 December are as follows:

	2015 \$'000	2014 \$'000
Within one year	494	507
After one year but not more than five years	1,440	1,548
More than five years	<u>6,010</u>	<u>6,344</u>
	<u>7,944</u>	<u>8,399</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**20. Commitments**

**Capital commitments**

As at 31 December 2015, the Company had approved 3 contracts with the total outstanding value being \$4.9 million (2014: 12.627 million).

**Contractual commitments**

On 15 September 2009, the Company entered into a Power Purchase Agreement for 30 years with Alutrint Limited (Alutrint) and the Trinidad and Tobago Electricity Commission (T&TEC) as buyers in which each of the buyers is jointly and separately obligated to fulfilling the terms and conditions of the agreement which provides inter alia for the sale of the maximum available output of the plant. In accordance with the power purchase agreement these obligations would commence once Phase 1A of the plant is operational. Phase 1A became operational in 31 July 2011, Phase 1B on 20 December 2011, and Phase 2 became operational on 18 December 2012.

In 2011, the agreement to deliver output to Alutrint was discontinued, resulting in the full output of the plant being designated to T&TEC. The obligations of T&TEC under the Power Purchase Agreement are unconditionally guaranteed by the Government of Trinidad & Tobago. The total capacity of the plant is dedicated to T&TEC.

**Financing commitment**

In July 2015, the Board of Directors approved and invited bids for long term financing in the amount of US \$600 million for the purpose of repaying the amount owed to the parent company (UEEGCL) in the sum of \$568 million, as stated in Note 13.

On 30 September 2015 and on 21 December 2015 respectively, the Company entered into one (1) year loan agreements for bridge facilities to the intended long term financing (refer to Note 14).

The Company has embarked on the process to complete the long term funding (refer to Note 24).

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**21. Financial risk management objectives and policies**

The Company is exposed to credit risk and liquidity risk, arising from the financial instruments that it holds. The risk management policies employed by the Company to manage these risks are discussed below.

**(i) Credit risk**

Credit risk arises when failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at year end. The maximum exposure to credit risk for the components of the statement of financial position is shown below:

	<b>Gross maximum exposure 2015 \$'000</b>	<b>Gross maximum exposure 2014 \$'000</b>
Net investment in leased assets	733,609	737,364
Cash and short-term deposits	94,885	91,582
Trade and other receivables	<u>10,674</u>	<u>186,115</u>
	<u>839,168</u>	<u>1,015,061</u>

The net investment in leased asset and therefore 100% of the Company's revenue is earned from one related party under a Power Purchase Agreement (note 20), which is backed by a full Government of Trinidad and Tobago guarantee for risk of defaults. In addition, trade receivables amounting to \$10.6 million (2014: \$186 million) is also backed by the full Government guarantee.

Cash and short-term deposits are placed with reputable financial institutions.

The maximum exposure on these financial statements is equal to their carrying amounts at year end.

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**21. Financial risk management objectives and policies (continued)**

**(ii) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligation associated with the financial instruments. The Company has procedures with the objective of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	<b>On demand \$'000</b>	<b>Less than 3 months \$'000</b>	<b>3 to 12 months \$'000</b>	<b>1 to 5 years \$'000</b>	<b>Over 5 years \$'000</b>	<b>Total \$'000</b>
<b>31 December 2015</b>						
Trade and other payables	—	6,861	—	—	—	6,861
Due to related parties	238,023	381	—	—	—	238,404
Short term loans	—	—	309,613	—	—	309,613
	<u>238,023</u>	<u>7,242</u>	<u>309,613</u>	<u>—</u>	<u>—</u>	<u>554,878</u>
<b>31 December 2014</b>						
Trade and other payables	—	4,235	—	—	—	4,235
Due to related parties	<u>568,023</u>	<u>381</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>568,404</u>
	<u>568,023</u>	<u>4,616</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>572,639</u>

**(iii) Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses. Risk management in this area is active to the extent that hedging strategies are available and cost effective.

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**21. Financial risk management objectives and policies (continued)**

**(iii) Foreign currency risk (continued)**

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of net profit for the year (due to changes in the fair value of monetary assets and liabilities) and the Company's equity:

	<b>Increase/(decrease) in TT dollar rate</b>	<b>Effect on net profit \$'000</b>	<b>Effect on equity \$'000</b>
<b>2015</b>			
US dollar	+1%	1,481	1,481
US dollar	-1%	(1,481)	(1,481)
<b>2014</b>			
US dollar	+1%	(161)	(161)
US dollar	-1%	161	161

The aggregate value of financial assets and liabilities by reporting currency are as follows:

<b>2015</b>			
<b>Financial assets</b>	<b>USD \$'000</b>	<b>TTD \$'000</b>	<b>Total \$'000</b>
Net investment in leased assets	733,609	—	733,609
Cash and short term deposits	89,689	5,196	94,885
Trade and other receivables	<u>10,674</u>	<u>—</u>	<u>10,674</u>
	<u>833,972</u>	<u>5,196</u>	<u>839,168</u>
<b>Financial liabilities</b>			
Trade and other payables	1,954	4,907	6,861
Due to related parties	238,404	—	238,404
Short term loans	<u>150,000</u>	<u>150,237</u>	<u>300,237</u>
	<u>390,358</u>	<u>155,144</u>	<u>545,502</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015  
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(Continued)

**21. Financial risk management objectives and policies (continued)**

**(iii) Foreign currency risk (continued)**

<b>2014</b>			
<b>Financial assets</b>	<b>USD \$'000</b>	<b>TTD \$'000</b>	<b>Total \$'000</b>
Net investment in leased assets	737,364	—	737,364
Cash & short term deposits	81,747	9,835	91,582
Trade and other receivables	<u>186,115</u>	<u>—</u>	<u>186,115</u>
	<u>1,005,226</u>	<u>9,835</u>	<u>1,015,061</u>
<b>Financial liabilities</b>			
Trade and other payables	4,070	165	4,235
Due to related parties	<u>568,023</u>	<u>381</u>	<u>568,404</u>
	<u>572,093</u>	<u>546</u>	<u>572,639</u>

**(iv) Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value. The Company's overall strategy remains unchanged from 2014.

NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)

**22. Fair value of financial instruments**

The carrying amounts of the Company's cash and short-term deposits, trade and other receivables, trade and other payables, short term loans, and due to related parties approximate their fair value, in view of their short-term maturities of a year or less. The fair value of the financial instruments is presented below:

	Carrying amount 2015 \$'000	Fair value 2015 \$'000	Carrying amount 2014 \$'000	Fair value 2014 \$'000
<b>Financial assets:</b>				
Net investment in leased asset	733,609	1,274,749	737,364	1,291,493
Cash and short-term deposits	94,885	94,885	91,582	91,582
Trade and other receivables	10,674	10,674	186,115	186,115
<b>Financial liabilities:</b>				
Trade and other payables	6,861	6,861	4,235	4,235
Due to related parties	238,404	238,404	568,404	568,404
Short term loans	300,237	300,237	—	—

The fair value of the leased asset was estimated using relevant industry and market observable data to arrive at a proxy for fair value at year end.

**23. Dividends**

On 29 October 2014, a final dividend of \$1 million (dividend per share of \$1 thousand dollars) was approved by the Board of Directors in respect of 2013. This final dividend has been recorded as a liability as at 31 December 2014 and charged against retained earnings for the year then ended.

On 25 August 2015, a final dividend for 2014 of \$190 million (dividend per share of \$1 dollar) and an interim dividend of \$32 million (dividend per share of 17 cents) for 2015 were approved by the Board of Directors. The final and interim dividends (\$222 million in aggregate) were charged against retained earnings and were all paid during the year 2015 except for \$4 million dollars which remained as a liability as at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)

(Continued)

**24. Events after the reporting period**

On 29 June 2016, the Company repaid \$10 million of the balance due to the parent company, UEEGCL.

In addition, on 7 July 2016, the Company secured a new short term loan of \$600 million with one third party lender (Credit Suisse) that matures in 12 months, on 5 July 2017. The proceeds were used to repay the two existing short term loans, amounting to \$294.6 million in aggregate, and the balance due to the parent company amounting to \$228 million. The new loan carries interest at 3-month Libor plus a margin that starts at 2.875% with increments of 0.125% at each quarterly interest payment date.

The terms of the agreement mandates certain restrictions on the Company, including restrictions on the issue of shares, incurring additional debt and the payment of dividends as well as incurring capital expenditure in excess of US\$17.5 million, without the express permission of the lenders. These loan agreements contain financial covenants requiring the Company to maintain certain interest cover and leverage ratios of 3:1 and 6:1, respectively. The Company is in compliance with these covenants as at the date of approval of these financial statements.

The Company is currently in the process of seeking to secure long term financing through an International Bond Offering, the proceeds of which will be used to repay the short term loan due to Credit Suisse.

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED

We have audited the accompanying financial statements of Trinidad Generation Unlimited ("the Company") which comprise the statement of financial position as at 31 December 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED  
(Continued)

### **Basis for Qualified Opinion**

The Company's inventory is stated at \$8.7 million in the statement of financial position as at 31 December 2014. Consistent with that reported in our prior year audit report, the Company did not conduct a full inventory count during the year, thus we were unable to verify the existence and completeness of the inventory items at year end or as reported for the year ended 31 December, 2013. We were unable to perform appropriate alternative audit procedures to conclude on the existence and completeness of the stated inventory balance.

### **Qualified Opinion**

In our opinion, except for the effects of any adjustments which may arise as a result of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Port of Spain  
TRINIDAD  
3 November 2015

TRINIDAD GENERATION UNLIMITED

STATEMENT OF FINANCIAL POSITION

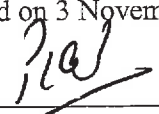
AS AT 31 DECEMBER 2014

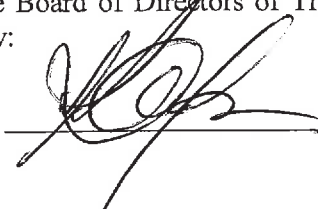
(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2014 \$'000	2013 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	17,265	19,514
Net investment in leased assets	6	733,609	737,364
Deferred tax asset	17	<u>105,487</u>	<u>44,416</u>
		<u>856,361</u>	<u>801,294</u>
<b>Current assets</b>			
Cash and short-term deposits	7	91,582	82,831
Net investment in leased assets	6	3,755	3,366
Trade and other receivables	8	186,134	100,890
Tax recoverable		1,003	1,003
Inventories	9	<u>8,724</u>	<u>6,048</u>
		<u>291,198</u>	<u>194,138</u>
<b>TOTAL ASSETS</b>		<u>1,147,559</u>	<u>995,432</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated capital	10	1	1
Capital contributions	11	189,399	189,399
Retained earnings		<u>203,024</u>	<u>134,564</u>
		<u>392,424</u>	<u>323,964</u>
<b>Non-current liabilities</b>			
Deferred tax liabilities	17	<u>177,786</u>	<u>93,717</u>
<b>Current liabilities</b>			
Trade and other payables	12	4,235	4,056
Dividends payable	22	4,000	3,000
Due to related parties	13	568,404	569,926
Tax payable		<u>710</u>	<u>769</u>
		<u>577,349</u>	<u>577,751</u>
<b>Total liabilities</b>		<u>755,135</u>	<u>671,468</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,147,559</u>	<u>995,432</u>

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

These financial statements were authorized for issue by the Board of Directors of Trinidad Generation Unlimited on 3 November 2015 and signed on their behalf by:

: Director

: Director

TRINIDAD GENERATION UNLIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2014 \$'000	2013 \$'000
<b>Revenue</b>			
Finance lease income		101,916	102,263
Other revenue	14	<u>3,804</u>	<u>75,567</u>
		<u>105,720</u>	<u>177,830</u>
<b>Expenses</b>			
Administrative expenses	15	(13,892)	(14,681)
Operating expenses	15	<u>(6,381)</u>	<u>(4,755)</u>
		<u>(20,273)</u>	<u>(19,436)</u>
<b>Operating profit</b>		85,447	158,394
Finance income	16	<u>7,327</u>	<u>2,139</u>
<b>Profit before tax</b>		92,774	160,533
Taxation	17	<u>(23,314)</u>	<u>(41,689)</u>
<b>Net profit for the year</b>		69,460	118,844
Other comprehensive income		<u>—</u>	<u>—</u>
<b>Total comprehensive income</b>		<u>69,460</u>	<u>118,844</u>

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

TRINIDAD GENERATION UNLIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	<b>Stated capital \$'000</b>	<b>Capital contributions \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total \$'000</b>
<b>Year ended 31 December 2014</b>				
Balance at 1 January 2014	1	189,399	134,564	323,964
Dividends proposed (note 22)	—	—	(1,000)	(1,000)
Total comprehensive income for the year	<u>—</u>	<u>—</u>	<u>69,460</u>	<u>69,460</u>
Balance at 31 December 2014	<u>1</u>	<u>189,399</u>	<u>203,024</u>	<u>392,424</u>
<b>Year ended 31 December 2013</b>				
Balance at 1 January 2013	1	727,422	18,720	746,143
Capital contributions	—	30,000	—	30,000
Capital reduction (note 11)	—	(568,023)	—	(568,023)
Dividends proposed (note 22)	—	—	(3,000)	(3,000)
Total comprehensive income for the year	<u>—</u>	<u>—</u>	<u>118,844</u>	<u>118,844</u>
Balance at 31 December 2013	<u>1</u>	<u>189,399</u>	<u>134,564</u>	<u>323,964</u>

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

TRINIDAD GENERATION UNLIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)

	Notes	2014 \$'000	2013 \$'000
<b>Cash flows from operating activities</b>			
Profit before taxation		92,774	160,533
Adjustments for:			
Depreciation	5	1,858	1,893
Other movements		(264)	—
Loss on disposal of fixed assets		664	—
Interest income	16	(7,081)	(2,016)
Finance lease collections		<u>3,366</u>	<u>3,019</u>
<b>Operating profit before changes in working capital</b>		91,317	163,429
Increase in trade and other receivables		(78,484)	(82,459)
Increase in inventories		(2,676)	(1,530)
Decrease in amounts due to related parties (excluding transfers from equity)		(1,522)	(30,913)
Increase/(decrease) in trade and other payables		<u>179</u>	<u>(80,141)</u>
<b>Cash generated from/(used in) operations</b>		8,814	(31,614)
Interest received		321	2,016
Tax paid		<u>(111)</u>	<u>(108)</u>
<b>Net cash generated from/(used in) operations</b>		<u>9,024</u>	<u>(29,706)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	5	(273)	(4,902)
Investment in short term deposits		<u>(10,000)</u>	<u>(25,000)</u>
<b>Net cash used in investing activities</b>		<u>(10,273)</u>	<u>(29,902)</u>
<b>Cash flows from financing activity</b>			
Capital contributions		—	30,000
<b>Net cash generated from financing activity</b>		—	30,000
<b>Net decrease in cash and cash equivalents</b>		(1,249)	(29,608)
<b>Cash and cash equivalents</b>			
- at the beginning of the year		<u>32,831</u>	<u>62,439</u>
- at the end of the year	7	<u>31,582</u>	<u>32,831</u>
<b>Non-cash transactions:</b>			
Capital reduction	11	—	568,023
		<u>—</u>	<u>568,023</u>

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

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 1. Corporate information

Trinidad Generation Unlimited (“TGU” or “the Company”) was incorporated in December 2006, and resides in the Republic of Trinidad and Tobago with its registered office situated at Third Floor, Mulchan Seuchan Road, Chaguanas. The Company’s principal activity is to engage in the acquisition, construction, ownership, and the operation, management and maintenance of power generation facilities.

The Company is wholly owned by Union Estate Electricity Generation Company Limited (“UEEGCL”), an entity controlled by the Government of the Republic of Trinidad and Tobago (“GORTT”).

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission (“T&TEC”) and TGU’s parent company UEEGCL.

TGU owns and operates a power generation plant in La Brea, Trinidad, and has entered into a 30 year Power Purchase Agreement (“PPA”) with T&TEC dated 15 September 2009 for the provision of capacity and associated energy generated by the plant to T&TEC. Based on the evaluation of the terms of the PPA, TGU has accounted for the PPA as a finance lease in accordance with IAS 17: “Leases”.

#### 2. Significant accounting policies

##### a. Basis of preparation

These financial statements are prepared under the historical cost convention and are presented in United States dollars which is the Company’s functional currency.

##### *Statement of compliance*

The financial statements of the Company have been prepared with reference to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 2. Significant accounting policies (continued)

##### b. Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and International Financial Reporting Interpretations (IFRIC) effective as of 1 January 2014:

##### **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 *Consolidated Financial Statements* and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Company.

##### **Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32**

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Company, since the Company has no offsetting arrangements.

##### **Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39**

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and retrospective application is required. These amendments have no impact on the Company.

##### **IFRIC 21 Levies**

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Company as it has applied the recognition principles under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* consistent with the requirements of IFRIC 21 in prior years.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 2. Significant accounting policies (continued)

##### b. Changes in accounting policy and disclosures (continued)

###### **Annual Improvements 2010-2012 Cycle**

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Company.

###### **Annual Improvements 2011-2013 Cycle**

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Company, since the Company is an existing IFRS preparer.

##### c. Foreign currency translation

The financial statements are presented in United States dollars, which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies (other than United States dollars) are initially recorded in the functional currency by applying the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange ruling at the reporting date. Any resulting exchange differences are included in the statement of comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost and denominated in a foreign currency are translated into the functional currency using the rates of exchange as at the dates of the initial transactions. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated into the functional currency using the rate of exchange at the date the fair value was determined.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 2. Significant accounting policies (continued)

##### d. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is charged from the month in which the equipment is purchased. Depreciation is provided on a straight line basis, per annum, as follows:

	%
Computer equipment	33 $\frac{1}{3}$
Communication equipment	33 $\frac{1}{3}$
Machinery and equipment	25
Office furniture and equipment	25
Vehicles	25
Capital spares	3 $\frac{1}{3}$ -11 $\frac{1}{9}$

Capital work in progress represents milestone payments to contractors under an Engineering Procurement and Supply Contract and other direct costs incurred in constructing the power plant that meet the recognition criteria. The plant has been brought into operation in three phases, Phase 1A, Phase 1B and Phase 2 in accordance with the Power Purchase Agreement (PPA). Capital work in progress has been allocated to the components of plant and equipment that are commissioned under each of the phases.

The PPA was evaluated in accordance with the provisions of IFRIC 4 (See Note 2 e). This evaluation has resulted in the recognition of a leased asset related to the power plant. See Note 6.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 2. Significant accounting policies (continued)

##### e. Leases

In accordance with IFRIC 4, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Leases where the lessor effectively retains substantially all risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Where substantially all the risks and rewards incidental to ownership of the asset are transferred to the lessee the lease is a finance lease. Finance leases are capitalized at the commencement of the lease at the fair value of the asset or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets held under a finance lease are recognized in the statement of financial position and presented as a recoverable balance at an amount equal to the net investment in the lease. Interest income and finance charges are recognized in the statement of comprehensive income.

Based on the analysis of IFRIC 4, the Company concluded that the arrangement as described in the PPA contains a lease and qualifies for accounting as a finance lease in accordance with IAS 17 "Leases".

##### f. Financial instruments

###### *Financial assets*

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

The Company's financial assets include net investment in leased asset, cash and cash equivalents and trade and other receivables.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**2. Significant accounting policies (continued)**

**f. Financial instruments (continued)**

*Financial liabilities*

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

The Company's financial liabilities include trade and other payables and due to related parties.

**g. Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

*Assets carried at amortised cost*

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are de-recognised when they are assessed as uncollectible.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### **2. Significant accounting policies (continued)**

##### **h. Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

##### **i. Cash and cash equivalents**

Cash and short-term deposits comprise of cash held in depository bank accounts as at the reporting date.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash at bank and deposits in banks with an original maturity of three months or less.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 2. Significant accounting policies (continued)

##### j. Trade and other receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount.

##### k. Inventories

Inventories which consist of consumable spares and minor tools and equipment are carried at the lower of cost and net realisable value. Cost is determined based on the weighted average unit cost method.

##### l. Trade and other payables

Liabilities for trade and other payables which are normally settled on a 30-90 day terms are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

##### m. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales taxes.

Interest income is recognized as it accrues unless collectability is in doubt.

##### Lease revenue

The recognition of lease income is based on a pattern reflecting a constant period rate of return on the net investment in leased asset. Contingent rents are recognised in the period in which they are earned.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 2. Significant accounting policies (continued)

##### n. Taxation

###### *Current tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

###### *Deferred tax*

Deferred income tax is provided, using the liability method, on all temporary differences at the year-end date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profit will allow all parts of the deferred tax asset to be utilized.

##### o. Stated capital

Stated capital is classified within equity and is recognized at the fair value of the consideration received by the Company.

##### p. Capital contributions

The funds provided by the shareholder (UEEGCL) have been classified under capital contributions and classified within equity in accordance with the Shareholders' Agreement and is recognised at the fair value of the consideration received by the Company.

##### q. Dividends proposed

The Company recognises a liability to make dividend distributions to the parent in the period in which the dividends are approved by the Board of Directors.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 2. Significant accounting policies (continued)

##### r. Comparative information

Where necessary, comparative information has been reclassified to conform to changes in presentation in the current year. These reclassifications relate to the reclassification of expenses from operating to administrative based on the nature and have no effect on Net Income for the current or previous year.

#### 3. Significant accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with IFRS necessitates the use of estimates, assumptions and judgments. These estimates and assumptions affect the reported amounts of assets and liabilities and contingent liabilities at year end as well as affecting the reported income and expenses for the year.

Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future years.

##### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

##### *Operating lease commitments – Company as lessee*

The Company has entered into vehicle and land leases. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the asset, that it does not obtain all the significant risks and rewards of ownership of these assets and accounts for the contracts as operating leases.

##### *Finance lease commitments – Company as lessor*

Leases are classified as finance leases whenever based on management's evaluation of the terms and conditions of the arrangement, the terms of the lease transfer substantially all of the risks and rewards of ownership from the lessor. All other leases are classified as operating leases.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

#### 3. Significant accounting estimates, assumptions and judgments (continued)

##### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These assumptions and estimates are based on parameters existing and available when the financial statements were prepared. Existing circumstances and assumptions about future developments however, may change due to market changes or circumstances arising beyond the control of the Company.

##### *Property, plant & equipment*

Management exercises judgment in determining the useful lives of categories of property plant and equipment and the appropriate method of depreciation.

##### *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### 4. Standards and interpretations issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions – Effective 1 July 2014
- IFRS 14, 'Regulatory Deferral Accounts' – Effective 1 January 2016
- Amendments to IFRS 11 – Accounting for Acquisition of Interests in Joint Operations – Effective 1 January 2016
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation – Effective 1 January 2016
- IFRS 15, 'Revenue from Contracts with Customers' – Effective 1 January 2017

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**4. Standards and interpretations issued but not yet effective (continued)**

The Company is currently assessing the potential impact of these new standards and interpretations.

*Annual Improvements to IFRSs 2010-2012 Cycle – Published December 2013*

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards and are not expected to have a material impact on the financial statements:

- IFRS 2, 'Share-based Payment'
- IFRS 3, 'Business Combinations'
- IFRS 8, 'Operating Segments'
- IFRS 13, 'Fair Value Measurement'
- IAS 16, 'Property, Plant and Equipment'
- IAS 24, 'Related Party Disclosures'
- IAS 38, 'Intangible Assets'

These improvements are effective for annual periods beginning on or after 1 July 2014.

*Annual Improvements to IFRSs 2011-2013 Cycle – Published December 2013*

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards and are not expected to have a material impact on the consolidated financial statements:

- IFRS 1, 'First-time Adoption of International Financial Reporting Standards'
- IFRS 3, 'Business Combinations'
- IFRS 13, 'Fair Value Measurement'
- IAS 40, 'Investment Property'

These improvements are effective for annual periods beginning on or after 1 July 2014.

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NOTES TO THE FINANCIAL STATEMENTS  
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**5. Property, plant and equipment**

	<b>Machinery &amp; equipment \$'000</b>	<b>Other assets \$'000</b>	<b>Capital spares \$'000</b>	<b>2014 Total \$'000</b>	<b>2013 Total \$'000</b>
<b>Cost</b>					
Balance at 1 January	1,333	1,990	18,673	21,996	17,094
Additions	67	206	—	273	4,902
Disposals and other movements	—	—	(664)	(664)	—
Balance at 31 December	<u>1,400</u>	<u>2,196</u>	<u>18,009</u>	<u>21,605</u>	<u>21,996</u>
<b>Accumulated depreciation</b>					
Balance at 1 January	208	615	1,659	2,482	589
Charge for the year	<u>134</u>	<u>233</u>	<u>1,491</u>	<u>1,858</u>	<u>1,893</u>
Balance at 31 December	<u>342</u>	<u>848</u>	<u>3,150</u>	<u>4,340</u>	<u>2,482</u>
Net book value	<u>1,058</u>	<u>1,348</u>	<u>14,859</u>	<u>17,265</u>	<u>19,514</u>

<b>6. Investment in leased assets</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Finance lease - gross investment	2,800,694	2,905,983
Less: Unearned finance income	<u>(2,063,330)</u>	<u>(2,165,253)</u>
Net investment in leased asset	737,364	740,730
Less amounts due within one year	<u>(3,755)</u>	<u>(3,366)</u>
	<u>733,609</u>	<u>737,364</u>

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

### 6. Investment in leased assets (continued)

The Company entered into a Power Purchase Agreement (PPA) for the supply of capacity and associated energy generated for a term of thirty (30) years from the commencement of Phase 1A commercial operations. The power plant was brought into operation in three phases. Each phase provided incremental capacity for power generation as follows:

Phase 1A commissioned on 31 July 2011	225MW
Phase 1B commissioned on 20 December 2011	225MW
Phase 2 commissioned on 18 December 2012	270MW

The provisions of the PPA were evaluated in accordance with IFRIC 4: "Determining whether an arrangement contains a lease" and IAS 17: "Leases". Phase 1A and Phase 1B were commissioned during 2011 and Phase 2 in 2012. Their related costs were transferred from capital work in progress and an investment in these assets was recognized in the respective years.

As at 31 December the gross investment and present value of receivables relating to future minimum lease payments were distributed as follows:

	2014		2013	
	Gross investment \$'000	Present value of receivable \$'000	Gross investment \$'000	Present value of receivable \$'000
Within 1 year	105,289	3,755	105,289	3,366
1 to 5 years	421,445	20,478	421,445	18,305
Over 5 years	<u>2,273,959</u>	<u>713,131</u>	<u>2,379,249</u>	<u>719,059</u>
	<u>2,800,693</u>	<u>737,364</u>	<u>2,905,983</u>	<u>740,730</u>

	2014 \$'000	2013 \$'000
<b>7. Cash and short-term deposits</b>		
Cash at bank	31,582	32,831
Short-term deposits	<u>60,000</u>	<u>50,000</u>
	<u>91,582</u>	<u>82,831</u>

Cash at bank earn interest at floating rates based on daily bank deposit rates.

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

### 7. Cash and short-term deposits (continued)

Short-term deposits include US dollar denominated deposits with maturity dates of 1 year. (2013: 1 year) with interest rates ranging from 0.32% per annum to 0.65% (2013: 0.32% per annum to 0.50% per annum).

For the purpose of the statement of cash flows,  
cash and cash equivalents comprise:

	2014 \$'000	2013 \$'000
Cash at bank	<u>31,582</u>	<u>32,831</u>

### 8. Trade and other receivables

Trade receivables – T&TEC	168,792	88,488
Accrued revenues – T&TEC	17,323	11,703
Prepayments and other receivables	<u>19</u>	<u>699</u>
	<u>186,134</u>	<u>100,890</u>

Trade receivables and accrued revenues of \$186,115 (2013: \$100,191) are in respect of amounts due from a related party (Refer to note 13).

As at 31 December, the ageing analysis of trade receivables and accrued revenues is as follows:

	Total \$'000	Current \$'000	Past due but not impaired		
			>30 to 60 days \$'000	>60 to 90 days \$'000	> 90 days \$'000
2014	186,115	15,637	14,200	7,685	148,593
2013	100,191	9,893	10,959	7,891	72,448

TGU has not provided an allowance for the doubtful amounts on the above past due accounts receivable balances from T&TEC as all such payments were received by TGU subsequent to year end (refer to note 23).

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)

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	2014 \$'000	2013 \$'000
<b>9. Inventories</b>		
Spare parts	8,406	6,048
Materials in transit	<u>318</u>	<u>—</u>
	<u>8,724</u>	<u>6,048</u>

**10. Stated capital**

Authorized

Unlimited ordinary shares at par value

Issued and fully paid

1,000 ordinary shares at \$1 each

<u>1</u>	<u>1</u>
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**11. Capital contributions**

Union Estate Electricity Generation  
Company Limited (UEEGCL)

<u>189,399</u>	<u>189,399</u>
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In March 2014, the Ministry of Finance clarified that the ultimate parent company's ("UEEGCL") position would be that the capital structure of the Company will be 75% debt and 25% equity effective 31 July 2013. As a consequence, 75% of the capital contributions (amounting to \$568,023) paid by the Government of Trinidad & Tobago through UEEGCL will be repaid upon a successful loan refinancing by the Company. Effective 31 July 2013 this amount has been duly reclassified to current liabilities (Refer to note 13).

	2014 \$'000	2013 \$'000
<b>12. Trade and other payables</b>		
Trade payables	352	792
Other payables	<u>3,883</u>	<u>3,264</u>
	<u>4,235</u>	<u>4,056</u>

Trade payables are non-interest bearing and are normally on 30-day terms.

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

### 13. Related parties

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operating decisions.

In the ordinary course of its business, the Company enters into transactions concerning the exchange of goods, provision of services and financing with affiliate companies as well as with entities directly and indirectly owned or controlled by the GORTT. Entities under the common control of the GORTT include National Energy Corporation of Trinidad and Tobago Limited, Trinidad and Tobago Electricity Commission and Union Estate Electricity Generation Company Limited.

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any amounts due to or from related parties except as stated in note 19.

The following table provides the details of transactions with and balances due to related parties for the year:

	2014	2013
Due to related parties	\$'000	\$'000
Government of the Republic of Trinidad and Tobago	59	59
National Energy Corporation	322	322
Union Estate Electricity Generation Company Limited (UEEGCL)	<u>568,023</u>	<u>569,545</u>
	<u>568,404</u>	<u>569,926</u>

The amount due to UEEGCL of \$568,023 is unsecured, interest free and expected to be settled upon consummation of an international debt offering by TGU.

### Due from related parties

Trinidad and Tobago Electricity Commission (Note 8)	<u>186,115</u>	<u>100,191</u>
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TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

	2014 \$'000	2013 \$'000
<b>13. Related parties (continued)</b>		
<b>Purchases from related parties</b>		
National Energy Corporation of Trinidad & Tobago		
- Lease rental	<u>334</u>	<u>334</u>
<b>Sales to related parties</b>		
Trinidad and Tobago Electricity Commission	<u>105,720</u>	<u>104,592</u>
<b>Compensation of key management personnel</b>		
Short-term employee benefits	<u>856</u>	<u>742</u>

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Company. The remuneration of members of key management personnel is a component of administration expenses in the statement of comprehensive income. The amount expensed during the year is shown above.

	2014 \$'000	2013 \$'000
<b>14. Other revenue</b>		
Capacity revenues – CPI adjustment	3,603	2,166
Energy delivered revenues	201	163
Liquidated damages – Non availability (see note below)	<u>—</u>	<u>73,238</u>
	<u>3,804</u>	<u>75,567</u>

In accordance with the provisions of the Engineering Procurement and Supply contract for the construction of the plant, the Company filed a claim for late substantial completion payments for delays in delivery of the plant. In 2013, the Company was awarded a settlement sum of US \$73.2 million which represents the full claim by the Company in the amount of US \$106.2 million net of US \$33 million for settlement of other contract issues.

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NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)

<b>15. Expenses</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
<b>Administrative expenses</b>		
Salaries and wages	5,059	4,339
Insurance	3,402	4,322
Depreciation	1,858	1,893
Professional and legal fees	1,181	1,742
Events and community work	854	606
Rent	397	396
Travel and motor vehicle expenses	526	653
IT expenses	360	203
Utilities	120	202
Office supplies	53	117
Other	<u>82</u>	<u>208</u>
	<u>13,892</u>	<u>14,681</u>
<b>Operating expenses</b>		
Parts and supplies	(50)	1,073
Contracted services	1,620	946
Contract labour	1,820	815
Training	334	678
Security	270	294
Calibration and testing	121	118
Tools and equipment	120	64
Equipment rental	99	63
Workshop expenses	25	6
Other	<u>2,022</u>	<u>698</u>
	<u>6,381</u>	<u>4,755</u>
<b>16. Finance income</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Interest income	7,081	2,016
Bank charges	(5)	(13)
Financing fees	—	2
Gain on foreign exchange	<u>251</u>	<u>134</u>
	<u>7,327</u>	<u>2,139</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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(Continued)

<b>17. Taxation</b>	<b>2014 \$'000</b>	<b>2013 \$'000</b>
Taxation charge for the year:		
Business levy	211	356
Green fund levy	106	178
Deferred tax	<u>22,997</u>	<u>41,155</u>
	<u>23,314</u>	<u>41,689</u>
A reconciliation of the expected income tax expense determined using the statutory tax rate of 25% to the effective income tax expense is as follows:		
Profit before taxation	<u>92,774</u>	<u>160,533</u>
Income taxes thereon at the rate of 25%	23,194	40,133
Tax effect of non-deductible expenses	111	593
Tax effect of income not taxable/allowances	(125)	(254)
Business levy	211	356
Green fund levy	106	178
Other	<u>(183)</u>	<u>683</u>
	<u>23,314</u>	<u>41,689</u>
Significant components of deferred tax are as follows:		
<b>Deferred tax asset:</b>		
Tax losses	<u>105,487</u>	<u>44,416</u>
<b>Deferred tax liabilities:</b>		
Finance lease	177,453	93,385
Property, plant and equipment	<u>333</u>	<u>332</u>
	<u>177,786</u>	<u>93,717</u>

The Company has unutilized tax losses of \$421.9 million (2013: \$177.7 million) that are available indefinitely for offset against future taxable profits. Deferred tax assets have been recognized for the carry forward of these unused tax losses to the extent that it is possible that future tax profits will be available against which the tax losses can be utilized. There are no unrecognized deferred tax assets for the current or prior year.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
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#### 18. Operating lease commitments

The Company has entered into a 30 year lease agreement commencing 15 January 2009 with the National Energy Corporation of Trinidad and Tobago for the lease of 149.955 hectares of land situated in La Brea, Trinidad. The rental lease expense of \$333,900 dollars is recorded in administrative expenses for the year ended 31 December 2014 (2013: \$333,900 dollars).

The Company also holds operating leases for its motor vehicles. The motor vehicle lease expense of \$198,322 dollars is recorded in administrative expenses for the year ended 31 December 2014 (2013: \$223,309 dollars).

Future minimum rentals payable under the operating leases as at 31 December are as follows:

	2014 \$'000	2013 \$'000
Within one year	507	390
After one year but not more than five years	1,548	1,578
More than five years	<u>6,344</u>	<u>6,678</u>
	<u>8,399</u>	<u>8,846</u>

#### 19. Commitments

##### Capital commitments

As at 31 December 2014, the Company has approved 3 contracts for commencement in 2015: the total value being \$12.627 million (2013: Nil).

##### Contractual commitments

On 15 September 2009, the Company entered into a Power Purchase Agreement for 30 years with Alutrint Limited (Alutrint) and the Trinidad and Tobago Electricity Commission (T&TEC) as buyers in which each of the buyers is jointly and separately obligated to fulfilling the terms and conditions of the agreement which provides inter alia for the sale of the maximum available output of the plant. In accordance with the power purchase agreement these obligations would commence once Phase 1A of the plant is operational. Phase 1A became operational in 31 July 2011, Phase 1B on 20 December 2011, and Phase 2 became operational on 18 December 2012.

In 2011, the agreement to deliver output to Alutrint was discontinued, resulting in the full output of the plant being designated to T&TEC. The obligations of T&TEC under the Power Purchase Agreement are unconditionally guaranteed by the Government of Trinidad & Tobago. The total capacity of the plant is dedicated to T&TEC.

# TRINIDAD GENERATION UNLIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
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### 20. Financial risk management objectives and policies

The Company is exposed to credit risk and liquidity risk, arising from the financial instruments that it holds. The risk management policies employed by the Company to manage these risks are discussed below.

#### (i) Credit risk

Credit risk arises when failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at year end. The maximum exposure to credit risk for the components of the statement of financial position is shown below:

	<b>Gross maximum exposure 2014 \$'000</b>	<b>Gross maximum exposure 2013 \$'000</b>
Net investment in leased assets	737,364	740,730
Cash and short-term deposits	91,582	82,831
Trade and other receivables	<u>186,115</u>	<u>100,191</u>
	<u>1,015,061</u>	<u>923,752</u>

The net investment in leased asset and therefore 100% of the Company's revenue is earned from one related party under a Power Purchase Agreement (Note 19), which is backed by a full Government of Trinidad and Tobago guarantee for risk of defaults. In addition, trade receivables amounting to \$186 million (2013: \$100 million) is also backed by the full Government guarantee.

Cash and short-term deposits are placed with reputable financial institutions.

The maximum exposure on these financial statements is equal to their carrying amounts at year end.

#### (ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligation associated with the financial instruments. The Company has procedures with the objective of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

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NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**20. Financial risk management objectives and policies (continued)**

**(ii) Liquidity risk (continued)**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over years \$'000	Total \$'000
<b>31 December 2014</b>						
Trade and other payables	—	4,235	—	—	—	4,235
Due to related parties	<u>568,023</u>	<u>381</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>568,404</u>
	<u>568,023</u>	<u>4,616</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>572,639</u>
<b>31 December 2013</b>						
Trade and other payables	—	4,056	—	—	—	4,056
Due to related parties	<u>568,023</u>	<u>1,903</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>569,926</u>
	<u>568,023</u>	<u>5,959</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>573,982</u>

**(iii) Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations and employs appropriate strategies to mitigate any potential losses. Risk management in this area is active to the extent that hedging strategies are available and cost effective.

TRINIDAD GENERATION UNLIMITED

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(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**20. Financial risk management objectives and policies (continued)**

**(iii) Foreign currency risk (continued)**

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant, of net profit for the year (due to changes in the fair value of monetary assets and liabilities) and the Company's equity:

<b>2014</b>	<b>Increase/(decrease) in TT dollar rate</b>	<b>Effect on net profit \$'000</b>	<b>Effect on equity \$'000</b>
US dollar	+1%	(161)	(161)
US dollar	-1%	161	161
<b>2013</b>			
US dollar	+1%	(19)	(19)
US dollar	-1%	19	19

The aggregate value of financial assets and liabilities by reporting currency are as follows:

<b>2014</b>			
<b>Financial assets</b>	<b>USD \$'000</b>	<b>TTD \$'000</b>	<b>Total \$'000</b>
Net investment in leased assets	737,364	—	737,364
Cash & short term deposits	81,747	9,835	91,582
Trade and other receivables	<u>186,115</u>	<u>—</u>	<u>186,115</u>
	<u>1,005,226</u>	<u>9,835</u>	<u>1,015,046</u>
<b>Financial liabilities</b>			
Trade and other payables	4,070	165	4,235
Due to related parties	<u>568,023</u>	<u>381</u>	<u>568,404</u>
	<u>572,093</u>	<u>546</u>	<u>572,639</u>

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**20. Financial risk management objectives and policies (continued)**

**(iii) Foreign currency risk (continued)**

<b>2013</b>			
<b>Financial assets</b>	<b>USD</b>	<b>TTD</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net investment in leased assets	740,730	—	740,730
Cash & short term deposits	81,765	1,066	82,831
Trade and other receivables	<u>100,191</u>	<u>—</u>	<u>100,191</u>
	<u>922,696</u>	<u>1,066</u>	<u>923,752</u>
<b>Financial liabilities</b>			
Trade and other payables	3,776	280	4,056
Due to related parties	<u>569,926</u>	<u>—</u>	<u>569,926</u>
	<u>573,702</u>	<u>280</u>	<u>573,982</u>

**(iv) Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximize shareholder value. The Company's overall strategy remains unchanged from 2013.

The capital structure of the Company consists of share capital, capital contributions and retained earnings. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. The Company received confirmation from its parent company that the capital structure is to be 75%: 25% effective 31 July 2013, debt to equity.

TRINIDAD GENERATION UNLIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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(Expressed in Thousands of United States Dollars, except where otherwise stated)  
(Continued)

**21. Fair value and fair value hierarchies**

The carrying amounts of the Company's cash and short-term deposits, trade and other receivables, trade and other payables and due to related parties approximate their fair value, in view of their short-term maturities of a year or less. The fair value of the financial instruments is presented below:

	Carrying amount 2014 \$'000	Fair value 2014 \$'000	Carrying amount 2013 \$'000	Fair value 2013 \$'000
<b>Financial assets:</b>				
Net investment in leased asset	737,364	1,291,493	740,730	1,323,130
Cash and short-term deposits	91,582	91,582	82,831	82,831
Trade and other receivables	186,115	186,115	100,191	100,191
<b>Financial liabilities:</b>				
Trade and other payables	4,235	4,235	4,056	4,056
Due to related parties	568,404	568,404	569,926	569,926

The fair value of the leased asset was estimated using relevant industry and market observable data to arrive at a proxy for fair value at year end.

**22. Dividends proposed**

In 2013 the Board of Directors approved an interim dividend of \$3 million for the year ended 31 December 2013. On 29 October 2014, a final dividend of \$1 million (dividend per share of \$1 thousand dollars) was approved by the Board in respect of 2013, thus bringing the total dividend to \$4 million (dividend per share of \$4 thousand dollars) for the year ended 31 December 2013. This final dividend has been recorded as a liability as at 31 December 2014 and charged against retained earnings for the year then ended. Both the 2013 interim and final dividends remain unpaid as at year end.

## TRINIDAD GENERATION UNLIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(Expressed in Thousands of United States Dollars, except where otherwise stated)  
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#### **23. Subsequent events**

##### **i. Dividends declared**

On 25 August, 2015 a final dividend of \$222 million (dividend per share of \$222 thousand dollars) was approved by the Board in respect of the years ended 31 December 2014 and the period up to 30 June 2015; these amounts have not been recorded as a liability in the current year 2014.

##### **ii. T&TEC receivable**

Subsequent to the statement of financial position date, as at 25 August 2015, TGU has received \$253 million from T&TEC, as full settlement of the amounts owed inclusive of interest, as well as a prepayment on future energy delivered expected to cover part of the period up to 1 October 2015.

##### **iii. Financing**

In July 2015 the Board of Directors approved and invited bids for long term financing in the amount of US \$600 Million for the purpose of repaying the amount owed to the parent company (UEEGCL) in the sum of \$568 million, as stated in Note 13.

On 30 September, 2015 the Company entered into a one (1) year loan agreement with First Citizens Bank Limited as a bridge facility to the intended long term financing. The amount of this facility was Trinidad and Tobago dollars \$960 million (the equivalent of \$150 million US dollars).

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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDER OF TRINIDAD GENERATION UNLIMITED

We have audited the accompanying financial statements of Trinidad Generation Unlimited ("the Company") which comprise the statement of financial position as at 31 December 2013 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF TRINIDAD GENERATION UNLIMITED  
(Continued)

### **Basis for Qualified Opinion**

The Company's inventories are stated at \$6 million in the statement of financial position as at 31 December 2013. Management did not conduct an inventory count at year end, and thus we were unable to verify the existence and completeness of the stated inventory balance at year end. We were unable to perform appropriate alternative audit procedures to conclude on the existence and completeness of the stated inventory balance at year end.

### **Qualified Opinion**

In our opinion, except for the effects of any adjustments which may arise as a result of the matter described in the Basis for Qualified Opinion paragraph, the financial statements presents fairly, in all material respects, the financial position of the Company as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Port of Spain  
TRINIDAD  
23 March 2015

## **ISSUER**

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Trinidad and Tobago

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**U.S.\$600,000,000**  
**5.250% Senior Unsecured Notes due November 4, 2027**

**Offering Memorandum**