Consolidated Energy Finance S.A.
Company Report

May 23, 2017

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In this Company Report, the terms the "Group," "we," "our" and "us" with regard to the historical financial and operating information as of and for the three months ended March 31, 2017 and as of and for the fiscal year ended December 31, 2016 refers to CEL and its consolidated subsidiaries, the historical financial and operating information as of and for three months ended March 31, 2016 and as of and for the fiscal year ended December 31, 2015 refers to OPAG (Barbados) Limited ("OPAG") and its consolidated subsidiaries and with regard to the historical financial and operating information as of and for the fiscal year ended December 31, 2014 and the *pro forma* historical financial information for the fiscal year ended December 31, 2014 refer to Consolidated Energy Limited ("CEL (Barbados)") and its consolidated subsidiaries, unless the context requires otherwise.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

The Parent Guarantor was incorporated on April 6, 2016 as a stock corporation (*Aktiengesellschaft*) under the laws of Switzerland. Through a contribution-in-kind of 100% of its shares, OPAG became a wholly-owned direct subsidiary of the Parent Guarantor. The Parent Guarantor was, among other reasons, established to facilitate the acquisition and financing of a 50% equity interest in Firewater LLC ("Firewater") by the Parent Guarantor's indirect subsidiary G2X Energy (Beaumont) LLC ("G2X Energy") (the "Natgas Acquisition"). Since the Natgas Acquisition Firewater is a consolidated subsidiary of CEL. Firewater holds all of the membership interests in Natgasoline LLC, a Delaware limited liability company ("Natgas"). The Acquisition was completed on May 4, 2016. Prior to the completion of the Natgas Acquisition, the Parent Guarantor did not conduct any business operations and did not have any material assets or liabilities other than those incurred in connection with its incorporation and the Natgas Acquisition, therefore limited historical information relating to the Parent Guarantor is available. The Parent Guarantor's financial information represents a continuation of OPAG's financial information as the underlying business did not change. The shareholders of the Parent Guarantor are Proman Holding AG ("Proman"), which owns 75%, and Helm AG ("Helm"), which indirectly owns 25%. Prior to the formation of the Parent Guarantor and the reorganization of the shareholding in OPAG, OPAG owned 75% of CEL (Barbados), while Helm AG indirectly held 25%.

As a result, the historical financial and operating information as of and for the three months ended March 31, 2017 and as of and for the fiscal year ended December 31, 2016 refers to the Parent Guarantor and its consolidated subsidiaries, the historical financial and operating information as of and for the fiscal year ended December 31, 2015 refers to OPAG and its consolidated subsidiaries and the historical financial and operating information as of and for the fiscal year ended December 31, 2014 refers to CEL (Barbados) and its consolidated subsidiaries, unless the context otherwise requires.

The Issuer is a wholly-owned, indirect subsidiary of the Parent Guarantor and was incorporated on July 3, 2014 as a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg. The Issuer is a special purpose vehicle established for the purpose of financing transactions, including the issuance of the Existing Notes (as defined below). The audited financial statements of the Issuer as of and for the year ended December 31, 2016 are included elsewhere in this Company Report.

On October 9, 2014, CEL (Barbados) became the 100% shareholder of Methanol Holdings (Trinidad) Limited ("MHTL") as the result of the acquisition of a 56.53% stake in MHTL from Colonial Life Insurance Company (Trinidad) Limited and C L Financial Limited (the "MHTL Acquisition"). In connection with the MHTL Acquisition, the Issuer issued $1,250 million senior notes on October 7, 2014 in two tranches: a tranche of $1,050 million fixed rate senior unsecured notes with a coupon of 6.750% due 2019 (the "Existing Fixed Rate

Notes") and a tranche of $200 million floating rate senior unsecured notes with a coupon of LIBOR plus 3.500% due 2019 (the "Existing Floating Rate Notes" and, together with the Existing Fixed Rate Notes, the "Existing Notes").

Therefore, in this Company Report, we also include certain unaudited *pro forma* condensed combined financial information of CEL (Barbados) for the fiscal year ended December 31, 2014 to illustrate the effect to the MHTL Acquisition and the related financing transactions as if they had been completed on January 1, 2014 (see "Unaudited Condensed Combined *Pro Forma* Financial Information").

Financial Information

In this Company Report historical financial information has therefore been derived from:

- the unaudited interim condensed consolidated financial statements of CEL as of and for the three months ended March 31, 2017, with comparable information for the three months ended March 31, 2016 and the notes thereto, which are consistent with the IAS 34 Interim Financial Reporting (the "CEL Interim Condensed Consolidated Financial Statements");
- the audited consolidated financial statements of CEL as of and for the fiscal year ended December 31, 2016, with comparable information as of and for the fiscal year ended December 31, 2015 and the notes thereto, which are consistent with the International Financial Reporting Standards ("IFRS") (the "CEL 2016 Consolidated Financial Statements");
- the audited consolidated financial statements of OPAG as of and for the fiscal year ended December 31, 2015, with comparable information for the fiscal year ended December 31, 2014 and the notes thereto, which have been prepared in accordance with IFRS (the "OPAG 2015 Consolidated Financial Statements");
- the audited consolidated financial statements of CEL (Barbados) as of and for the fiscal year ended December 31, 2014, with comparable information for the fiscal year ended December 31, 2013 and the notes thereto, which have been prepared in accordance with IFRS (the "CEL (Barbados) 2014 Consolidated Financial Statements"); and
- the unaudited interim condensed financial statements of MHTL as of and for the six months ended June 30, 2014, with comparable information for the six months ended June 30, 2013 and the notes thereto, which are consistent with IAS 34 Interim Financial Reporting (the "MHTL Interim Condensed Financial Statements").

The CEL 2016 Consolidated Financial Statements were audited by Ernst & Young, Switzerland ("EY Switzerland"). The OPAG 2015 Consolidated Financial Statements were audited by Ernst & Young, Barbados ("EY Barbados"). The CEL (Barbados) 2014 Consolidated Financial Statements were audited by PricewaterhouseCoopers SRL, Barbados ("PwC Barbados").

The accounting policies set forth in the CEL 2016 Consolidated Financial Statements, OPAG 2015 Consolidated Financial Statements and in the CEL (Barbados) 2014 Consolidated Financial Statements included elsewhere in this Company Report have been consistently applied to all periods presented unless otherwise indicated.

The results of any interim period are not necessarily indicative of the results that may be expected for a full year.

The summary financial information for the twelve months ended March 31, 2017 has been derived by taking the results of the CEL 2016 Consolidated Financial Statements and subtracting the three months ended March 31, 2016 and then adding the results for the three months ended March 31, 2017, both of which are contained in the CEL Interim Condensed Consolidated Financial Statements.

In addition, we have included certain non-IFRS financial measures and ratios in this Company Report. See "—Non-IFRS Financial Measures."

IFRS differs in certain material respects from US GAAP. As a result, the results of operations and financial condition derived from the financial statements that are included in this Company Report may differ substantially from the results of operations and financial condition derived from financial statements prepared in accordance with US GAAP. We have not prepared a reconciliation of our financial information to US GAAP or a summary of significant accounting differences in the accounting and valuation methods of IFRS and US GAAP, nor have we otherwise reviewed the impact that the application of US GAAP would have on our financial reporting.

The comparative financial information as of and for the fiscal year ended December 31, 2014 included in the OPAG 2015 Consolidated Financial Statements has been adjusted to reflect the final purchase price accounting of

the MHTL Acquisition in accordance with IFRS. As such, the financial information as of and for the fiscal year ended December 31, 2014 presented in this Company Report differs from the 2014 financial information reported in the audited OPAG 2015 Consolidated Financial Statements. Except for these adjustments and unless otherwise indicated, the accounting policies set forth in the OPAG 2015 Consolidated Financial Statements included elsewhere in this Company Report have been consistently applied to all periods presented.

Certain reclassifications have been made to the OPAG 2015 Consolidated Financial Statements, when presented on a comparatives basis with CEL 2016 Consolidated Financial information in this Company Report, to conform with CEL 2016 presentation.

Except as noted otherwise, the financial information as of and for the fiscal year ended December 31, 2015 has been presented as in the audited consolidated financial statements of the Parent as of and for the year ended December 31, 2016.

Certain numerical figures set out in this Company Report, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in this Company Report may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" are calculated using the numerical data in the CEL Interim Condensed Consolidated Financial Statements, the CEL 2016 Consolidated Financial Statements, the OPAG 2015 Consolidated Financial Statements and the CEL (Barbados) 2014 Consolidated Financial Statements or the tabular presentation of other data (subject to rounding) contained in this Company Report, as applicable and not using the numerical data in the narrative description thereof.

Unaudited *Pro Forma* Condensed Combined Financial Information

We present in this Company Report the unaudited *pro forma* condensed combined financial information of CEL (Barbados) for the fiscal year ended December 31, 2014 (the "Unaudited *Pro Forma* Condensed Combined Financial Information"). The Unaudited *Pro Forma* Condensed Combined Financial Information has been prepared to illustrate the effect of the MHTL Acquisition and the related financing on the consolidated statement of comprehensive income for the fiscal year ended December 31, 2014 as if it had occurred on January 1, 2014 and carried forward until the end of 2014. The Unaudited *Pro Forma* Condensed Combined Financial Information has been prepared in accordance with the basis of preparation as described in the section titled "Unaudited *Pro Forma* Condensed Combined Financial Information".

The Unaudited *Pro Forma* Condensed Combined Financial Information contained in this Company Report has been, unless otherwise stated, prepared on a basis that is consistent with the IFRS accounting policies used in the preparation of CEL (Barbados) 2014 Consolidated Financial Statements. In addition, the Unaudited *Pro Forma* Condensed Combined Financial Information does not include any adjustments for future cost savings or operating improvements as a result of the MHTL Acquisition or for any other reason. It should further be read in conjunction with the other financial information appearing elsewhere in this Company Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations."

The Unaudited *Pro Forma* Condensed Combined Financial Information is for informational purposes only and is not intended to represent or be indicative of the consolidated results of operations that would have been reported had the MHTL Acquisition and related financing been completed as of the date presented and should not be taken as representative of future consolidated results of operations or financial position. The Unaudited *Pro Forma* Condensed Combined Financial Information has not been prepared in accordance with the requirements of Regulation S-X under the US Securities Act, the Prospectus Directive, or any generally accepted accounting standards. The Unaudited *Pro Forma* Condensed Combined Financial Information is based upon assumptions and adjustments that we believe are reasonable. Neither the assumptions underlying the *pro forma* adjustments nor the resulting Unaudited *Pro Forma* Condensed Combined Financial Information have been audited or reviewed in accordance with any generally accepted auditing standards. See "Unaudited *Pro Forma* Condensed Combined Financial Information".

Non-IFRS Financial Measures

We have presented in this Company Report certain supplemental measures of our performance and liquidity, such as net debt, EBITDA, Adjusted EBITDA, ratio of net debt to Adjusted EBITDA and ratio of Adjusted EBITDA to finance cost, which we believe are measures commonly reported and widely used by investors and other interested parties as a measure of a company's operating performance and debt servicing ability. EBITDA is defined as profit/loss before taxation, finance costs, depreciation, impairment and amortization and share of results of associates. EBITDA is not a measurement of performance under IFRS and you should not consider EBITDA as an alternative to (a) profit for the period (as determined in accordance with IFRS) as a measure of

our operating performance, (b) cash flows from operating investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

We believe that EBITDA and Adjusted EBITDA are useful indicators of our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate us. EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing our EBITDA or Adjusted EBITDA to EBITDA or Adjusted EBITDA of other companies.

Net debt, EBITDA, Adjusted EBITDA, ratio of net debt to Adjusted EBITDA and ratio of Adjusted EBITDA to finance cost are measures that are not required by, or presented in accordance with, IFRS and have limitations as analytical tools and you should not consider them in isolation from, or as a substitute for analysis of, our results of operations as reported under IFRS.

We present net debt, EBITDA, Adjusted EBITDA, ratio of net debt to Adjusted EBITDA and ratio of Adjusted EBITDA to finance cost as additional information because we believe these measures are useful for certain investors to determine our operating performance. Because of the limitations listed above, however, the non-IFRS measures presented throughout this Company Report should not be considered as measures of discretionary cash available to invest in business growth or reduce indebtedness, as alternatives to profit before taxation, as indicators of our operating performance or as any other measure of performance derived in accordance with IFRS.

Furthermore, these measures may not be comparable to similar measures presented by other companies in our industry. In particular, EBITDA or Adjusted EBITDA as presented in this Company Report may differ from similarly titled measures used by other companies.

Certain numerical figures set out in this Company Report, including financial information presented in millions or thousands, have been subject to rounding adjustments and, as a result, the totals of the information in this Company Report may vary slightly from the actual arithmetic totals of such information.

Volatility and Seasonality of Quarterly Results

Our quarterly results may be volatile and may vary significantly due to a number of factors, such as volatile prices and sales volumes of our products, as well as cycles in the industry caused by idling capacities, shortages, overproduction and other events.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Company Report are not statements of historical facts but statements of future expectations and other forward-looking statements. Forward-looking statements can be identified by the use of forward-looking terminology such as "aim to," "anticipate," "believe," "consider," "could," "estimate," "expect," "intend," "may," "plan," "seek," "should," "target," "think," "will," "will continue," "wish," "would be" or similar expressions or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy, plans or intentions. Examples of forward-looking statements include the following:

- statements regarding contingencies inherent in all business activities, including companies' and customers' expenditures, debt and capital market conditions and the competitive and regulatory environment;
- statements regarding the expected level of capital expenditures; and
- statements regarding the amount we will be required to pay in the future pursuant to our existing contractual obligations and off-balance sheet contingent commitments.

Certain information in this Company Report relating to Natgas (as defined below) including, among other things, the potential financial impact of Natgas on our historical and future results of operations and financial condition, is presented on the basis that construction of the Natgas methanol production facility in Beaumont, Texas, has been complete and without meaningful cost overruns or delays, that the facility is fully operational and operating at its maximum production capacity and that it's actual revenues and operating costs approximate our budget. Such information relating to Natgas is forward-looking and subject to a number of assumptions and estimates that are, in turn, based on our analysis of the various factors which currently, and could in the future, impact our business. These assumptions and estimates are inherently uncertain and subject to significant business, operational, regulatory, economic and competitive uncertainties and contingencies. Certain of the assumptions relate to business decisions that are subject to change, including, but not limited to, our anticipated business strategies, changes in the competitive landscape, our ability to anticipate and react to business trends, our ability to continue developing market opportunities and our ability to execute on our current plans for Natgas. Other assumptions relate to risks and uncertainties beyond our control, including, but not limited to, the global macroeconomic environment, the general market conditions (including prices and availability) for natural gas and methanol, levels of consumer and business spending and developments in the industries of end-users of our products. Our actual market share and financial results, once our Natgas Facility (as defined below) is complete and operating, may differ materially from the information set out in this Company Report if any of these assumptions prove incorrect. There can be no assurance as to when our Natgas Facility will generate the performance described in this Company Report, or at all. Everyone cautioned not to rely on the information herein relating to the future operating and financial results of Natgas and should make their own independent assessment of our future operations. For more information, including about factors that may affect the performance of Natgas, see "Risk Factors—Risks Related to Our Business and Industry," including "Risk Factors—Risks Related to Our Business and Industry—The construction of the Natgas Facility involves significant risks and uncertainties" and "—The Natgas Facility will be subject to significant operational risks which may impact our ability to achieve our intended results from this facility."

These and similar statements are based on management's current views, estimates and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those anticipated by such statements. We caution readers not to place undue influence on these forward-looking statements, which speak only as of the date of this Company Report, as applicable. Factors that could cause such differences in actual results include:

- inability to continue successfully as a cash generative business;
- our failure to align our strategic plans with the direction of our end-customers' investments, including by failing to properly manage our capacity and deliveries;
- fluctuations in demand in the methanol, UAN or melamine industries;
- our inability to procure financing for our operations at an affordable cost or at all;
- our exposure to the credit and commercial risk of end-customers;
- our inability to reduce market and currency exchange risk;
- impairment of goodwill or other intangible assets;
- our inability to operate effectively in a highly competitive industry and to correctly identify and invest in the technologies that become commercially accepted;

- our reliance on a limited number of suppliers for the components we need;
- our inability to efficiently co-source or outsource certain business processes and more generally control our costs and expenses;
- the risks and uncertainties in the construction of our Natgas and subsequent facilities;
- the subsequent risks to the operation of our Natgas and subsequent facilities;
- our failure to detect defects, errors, failures and quality issues that could affect end-customer satisfaction and any resulting reputational harm;
- rapid changes to existing regulations or technical standards;
- our reliance on a limited number of end-customers and the risks inherent in long-term sales agreements;
- the social and political risks we may encounter in our region of operations;
- existing and future litigation;
- risks inherent to joint venture management; and
- compliance with environmental, health and safety laws.

We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. We caution you that the foregoing list of important factors may not contain all of the material factors that are important to you. In addition, in light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Company Report might not occur. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements included in this Company Report, including those described in the "Risk Factors" section of this Company Report.

MARKET AND INDUSTRY DATA

When we make statements in this Company Report about our position in the industries in which we are active, any sector of those industries or about our market share, we are making those statements based on our belief as to their accuracy. This belief is based on data regarding the industries in which we engage, including trends in such markets and our position and the position of our competitors within those industries, derived from a variety of sources, including independent industry publications, government publications and other published independent sources, information obtained from customers, distributors, suppliers, trade and business organizations and publicly available information (including the reports and other information our competitors file with the SEC, which we did not participate in preparing and as to which we make no representation), as well as our good faith estimates, which have been derived from management's knowledge and experience in the areas in which our business operates. Estimates of market size and relative positions in a market are difficult to develop and inherently uncertain.

We do not have any knowledge that the market and industry data and forecasts provided to us from third party sources are inaccurate in any material respect. However, we believe that certain information provided to us from third party sources is derived from estimates or subjective judgments and while we believe them to be accurate and correct, data compilation is subject to limited audit and validation procedures. We believe that, notwithstanding such qualification by such third party sources, the market and industry data provided in this Company Report is accurate in all material respects.

We believe that the market share information contained in this Company Report provides fair and adequate estimates of the size of our markets and fairly reflects our competitive position within these markets. However, our internal company surveys and management estimates have not been verified by an independent expert and we cannot guarantee that a third party using different methods to assemble, analyze or compute market data would obtain or generate the same results. In addition, our competitors may define their markets differently than we do.

Our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under the section entitled "Risk Factors".

TRADEMARKS, SERVICE MARKS AND TRADE NAMES

This Company Report contains our trademarks, service marks and trade names, including our proprietary logos and the domain name for our website and also contains the trademarks, service marks and trade names of other companies.

CERTAIN DEFINITIONS

As used in this Company Report and unless otherwise specified or the context requires otherwise in this Company Report:

- "AG" or "Aktiengesellschaft" refers to a German or Swiss stock corporation.
- "AUM" refers to the Ammonia-Urea Ammonium Nitrate-Melamine complex of the Group.
- "CEL" refers to Consolidated Energy AG, also known as Consolidated Energy Limited (Switzerland), the Parent Guarantor and a subsidiary of Proman and associate of Helm.
- "CEL (Barbados)" refers to Consolidated Energy Limited, a 100% wholly owned subsidiary of OPAG and parent company of Consolidated Energy Finance S.A., MHTL and FS Petrochemicals.
- "CNC" refers to the Caribbean Nitrogen Company Limited, a Trinidadian Company in which CEL holds an indirect 30% stake.
- "Distributors" refers to the Offtakers together with Koch Nitrogen International S.à r.l.
- "DWT" refers to deadweight tonnage, the maximum deadweight of a cargo vessel expressed in tonnes.
- "Existing JVs" means collectively, MHIL, CNC, N2000 and OMC.
- "Existing Fixed Rate Notes" refers to the Issuer's outstanding US$1,050 million 6.750% senior notes due 2019.
- "Existing Floating Rate Notes" refers to the Issuer's outstanding US$200 million senior floating rate notes due 2019.
- "Existing Notes" refers to the Existing Fixed Rate Notes and the Existing Floating Rate Notes.
- "EY Barbados" refers to Ernst and Young, St. Thomas, Barbados, the independent auditor of OPAG for the fiscal year ended December 31, 2015.
- "EY Switzerland" refers to Ernst and Young, Switzerland, the independent auditor of CEL for the fiscal year ended December 31, 2016.
- "Firewater" refers to Firewater LLC., a Delaware limited liability company in which G2X Energy holds a 50% stake.
- "FS Petrochemicals" refers to FS Petrochemicals (St. Kitts) Limited, a limited liability company organized in Saint Christopher and Nevis, a wholly-owned indirect subsidiary of CEL.
- "G2X" refers to G2X Energy, Inc., a Delaware corporation and a subsidiary of CEL.
- "G2X Energy" refers to G2X Energy (Beaumont) LLC, a Delaware limited liability company and a 100% wholly-owned subsidiary of G2X.
- "Group", "we", "us" and "our" with regard to the historical financial and operating information as of and for the three months ended March 31, 2017 as well as for the fiscal year ended December 31, 2016 refers to CEL and its consolidated subsidiaries, the historical financial and operating information as of and for the fiscal year ended December 31, 2015 refers to OPAG and its consolidated subsidiaries and with regard to the historical financial information as of and for the fiscal year ended December 31, 2014 and the *pro forma* historical financial information as of and for the fiscal year ended December 31, 2014 refer to CEL (Barbados) and its consolidated subsidiaries, unless the context otherwise requires.
- "Helm" refers to Helm AG, an indirect shareholder of CEL.
- "IASB" refers to the International Accounting Standards Board.
- "IAS 34" refers to International Accounting Standards 34, "Interim Financial Reporting," as issued by the IASB.
- "IFRS" refers to the International Financial Reporting Standards as issued by the IASB.
- "Issuer" refers to Consolidated Energy Finance S.A., a public limited liability company (*société anonyme*) organized under the laws of Luxembourg, registered with the Luxembourg trade and companies register under number B 188543 and having its registered office at 163, Rue du Kiem, L–8030 Strassen, Grand Duchy of Luxembourg.

- "Juniper gas field" refers to a project for a new offshore natural gas production platform on the southeast coast of Trinidad commenced by BP Trinidad and Tobago LLC in early 2017.
- "Luxembourg" means the Grand Duchy of Luxembourg.
- "MHIL" refers to Methanol Holdings International Limited, a limited liability company organized in Saint Christopher and Nevis, in which CEL holds 43.47% and which owns 60% of OMC's equity interests.
- "MHTL" refers to Methanol Holdings (Trinidad) Limited, a subsidiary of CEL.
- "MHTL (Delaware)" refers to Methanol Holdings (Delaware) LLC, a wholly owned subsidiary of MHTL.
- "MHTL Acquisition" refers to the acquisition of the remaining 56.53% stake in MHTL by CEL (Barbados) in 2014.
- "MHTL Revolving Credit Facility" refers to the US$290 million revolving credit facility as further described under "Description of Other Indebtedness".
- "MHTL Initial Term Loan" refers to the US$300 million term loan as further described under "Description of Other Indebtedness".
- "MHTL Loans" refers to the MHTL Revolving Credit Facility and the MHTL Initial Term Loan together.
- "MMBTU" refers to one Million British Thermal Units (BTU). One standard cubic foot of natural gas equals approximately 1030 BTU.
- "MMSCF" refers to Million Standard Cubic Feet.
- "N2000" refers to Nitrogen 2000 Unlimited, a Trinidadian company in which CEL indirectly holds a 30% stake.
- "Natgas" refers to Natgasoline LLC, a Delaware corporation and wholly-owned subsidiary of Firewater.
- "Natgas Acquisition" refers to the acquisition of a 50% equity interest in Firewater by G2X Energy.
- "Natgas Facility" refers to a 1.75 million tonnes per year methanol production facility in Beaumont, Texas, which is under construction at the date of this Company Report.
- "Offtakers" means Helm, N2000 and SCC.
- "OMC" refers to the Oman Methanol Company LLC, a company in Oman in which CEL indirectly holds a 26.08% stake.
- "OPAG" refers to OPAG (Barbados) Limited, a company incorporated and licensed as an international business company in Barbados and a 100% wholly owned subsidiary of CEL.
- "Parent Guarantor" refers to CEL.
- "PGCF" refers to PG Clean Fuels LLC, a Delaware corporation in which Proman holds 95% of the shares.
- "Proman" refers to the Proman Holding AG, a shareholder of CEL.
- "Promissory Note" refers to the US$279,233,253.25 Third Amended and Restated Promissory Note dated August 30, 2016.
- "PwC Barbados" refers to PricewaterhouseCoopers SRL, Barbados, the independent auditor of CEL (Barbados) for the fiscal year ended December 31, 2014.
- "SCC" refers to Southern Chemical Corporation, a Proman affiliate.
- "Tax-Exempt Bonds" refers to the US$50.0 million Senior Lien Revenue Bonds (Natgasoline Project) Series 2016A and the US$202.9 million Senior Lien Revenue Bonds (Natgasoline Project) Series 2016B, together.
- "Tonnes" refers to metric tons.
- "Trinidad" refers to the Republic of Trinidad and Tobago.
- "UAN" refers to urea ammonium nitrate.

- “United States” or “US” refers to the United States of America.
- “US dollar”, “US$”, “$” or “dollars” refers to the currency of the United States.
- “US GAAP” refers to the United States general accepted accounting principles.

SUMMARY

This summary highlights selected information about us contained in greater detail elsewhere in this Company Report. The following summary should be read in conjunction with and the summary is qualified in its entirety by, the more detailed information included in this Company Report, including the CEL Interim Condensed Consolidated Financial Statements, the CEL 2016 Consolidated Financial Statements, the OPAG 2015 Consolidated Financial Statements and the CEL (Barbados) 2014 Consolidated Financial Statements. This Company Report includes forward-looking statements that involve risks and uncertainties. In particular, such forward-looking statements include certain information relating to Natgas (as defined below), including as to the potential financial impact of Natgas on our historical and future results of operations and financial condition. Everyone is cautioned not to rely on such forward-looking information and should make their own independent assessment of our future results of operations and financial condition. See "Forward-Looking Statements" and "Risk Factors."

Business Overview

We estimate we are the world's second-largest merchant producer of methanol based on capacity in 2016 and a leading producer of UAN and melamine. As of March 31, 2017, we estimate we had a 9.8% market share of the worldwide methanol market (including full consolidation of Oman Methanol Company ("OMC") and excluding the Chinese market) and, as of March 31, 2017, we estimate we had a 24.2% market share of the UAN merchant market based on capacity. As of March 31, 2017, based on our size and capacity, we supplied methanol, UAN and melamine to over 260 end-customers, which include Fortune 500 companies. Additionally, in 2016 we were the largest importer of methanol by volume into the United States.

We own and operate five methanol plants near MHTL's headquarters in Point Lisas Industrial Estate in Trinidad, providing us with a low-cost production location and global distribution capabilities. We also operate an additional natural gas to methanol plant located in Pampa, Texas. Our M5000 plant is the world's largest stand-alone methanol plant with a design capacity of 1.9 million tonnes per year. We have a total installed methanol capacity of 4.1 million tonnes per year, including our operative facility in Pampa, Texas and we believe that our increasing production capacity has helped us become the world's largest importer of methanol into the United States by volume. Our main shareholder, Proman, constructed five of the six facilities. In addition to producing methanol, in 2010, we diversified our business to also produce urea ammonium nitrate ("UAN"). Of our estimated 24.2% UAN worldwide merchant market share, 63.8% was sold to North America and 36.2% to Europe in the twelve months ended March 31, 2017. We further diversified our business into melamine, of which 41.1% of production was sold into the North American market while 58.9% was sold into the European market in the twelve months ended March 31, 2017. Our Ammonia-Urea Ammonium Nitrate-Melamine ("AUM") complex provides for a capacity of 60,000 tonnes of melamine, 1.5 million tonnes of UAN and 647,500 tonnes of ammonia per year, which is mainly used in the production of UAN and melamine.

Methanol is a liquid petrochemical that is an essential building block for numerous industrial and energy-related applications. Methanol is primarily produced using natural gas or, particularly in China, coal feedstocks and is a commodity chemical used to make other chemicals. Primary end uses for methanol include formaldehyde, which is used to produce adhesives for the manufacture of construction-related products, direct fuel applications including gasoline blending, dimethyl ether (DME), biodiesel and methyl tert butyl ether (MTBE, an octane-boosting gasoline additive) and increasingly methanol-to-olefins and methanol-to-propylene applications. UAN is a nitrogen-based liquid fertilizer product that helps to improve crop yields. UAN is produced by combining urea, nitric acid and ammonia and typically has a nitrogen content that ranges between 28% and 32%. Melamine is a white, organic, crystalline compound widely used in the manufacture of plastics, adhesives, countertops, dishware and whiteboards. Melamine is manufactured from urea and, therefore, is rich in nitrogen.

In addition to our methanol, UAN and melamine businesses, we also own equity interests in other companies, providing us with an additional income stream through dividends. As of March 31, 2017, we (i) had 43.47% of the equity interest of Methanol Holdings International Limited ("MHIL"), which in turn owns 60.00% of the equity interests of OMC, (ii) had 30.00% of the equity interests of Caribbean Nitrogen Company Limited ("CNC"), and (iii) are the sole shareholder in FS Petrochemicals (St. Kitts) Limited ("FS Petrochemicals"), whose sole investment is a 30.00% shareholding in N2000. We are also the sole shareholder in MHTL and majority shareholder (77.17%) in G2X, which owns 50.0% of the equity interests in Firewater, which in turn owns 100% of the equity interests in Natgasoline LLC ("Natgas"). Natgas is developing a greenfield methanol production facility in Beaumont, Texas. The plant is expected to have a capacity of up to 1.75 million tonnes per annum and is expected to be the United States' largest methanol production facility (the "Natgas Facility"). The Natgas Facility is strategically located on the Gulf Coast of the United States to take advantage of the expected growing demand for methanol in the United States and other international markets in Europe and Asia. G2X has full control and operational leadership of the Natgas Facility and has the ability to supply cost-advantageous natural gas. An experienced Proman team is

supporting the construction activities and transferring their extensive knowledge gained from previous Engineering, Procurement and Construction ("EPC") projects. As of March 31, 2017, the Natgas Facility project progress stood at approximately 81.12% with an expected start of production in the fourth quarter of 2017. Assuming full facility capacity (5,000 tonnes/day or 1.75m tonnes/year), a methanol price (US contract price) of US$420/tonne, an EBITDA margin of approximately 40% and excluding any non-recurring costs and expenses related to the construction of the Natgas Facility, we estimate the potential incremental EBITDA contribution of the Natgas Facility to amount to US$300 million.

Our global distribution and supply infrastructure enables us to provide end-customers in the United States as well as in Europe with a reliable and recurring supply of methanol, UAN and melamine. To distribute methanol and UAN, we have contracted a dedicated fleet of 13 ocean-going vessels with a total capacity of 526,153 DWT that are available to us through long-term time charter contracts as of March 31, 2017. Of these, Natgas has chartered two methanol vessels, the "Noble Spirit" and the "Ambassador Norris", which have been sub-chartered to MHTL from 2016 onwards and have a combined capacity of 90,572 DWT. The addition of these two vessels to our methanol vessel fleet increases our total methanol fleet to a total of ten vessels with a combined capacity of 395,220 DWT. Furthermore, we operate methanol storage facilities at our main facilities in Trinidad, which we own, as well as in North America, Latin America and in Europe, which are leased by SCC and Helm, one of our main shareholders, which together totals 645,700 tonnes. To distribute our other products, UAN and melamine, we also rely on international third-party shipping. In addition, we have chartered three dedicated UAN vessels with a total shipping capacity of 130,933 DWT under long-term charter contracts, of which none is due to expire until 2029. We further own UAN storage facilities in Trinidad and Helm leases storage facilities in the United States and in Europe for our exclusive use with a total storage capacity of 341,000 tonnes.

Through strategic partnerships with various distribution companies, we seek to benefit from specific market knowledge for each regional market. Our shareholder Helm, a chemical distribution company located in Germany, is our main distributor for most of our products globally, while in the Americas, we sell methanol and melamine through SCC, in which Helm and Proman hold strategic stakes. In addition, through our end-customer distribution program and our indirect 26.08% ownership interest in OMC, we have expanded our global presence to have better access to the Asian as well as Latin American markets.

In the twelve months ended March 31, 2017, we generated net sales of US$780.0 million, EBITDA of US$234.9 million and Adjusted EBITDA of US$275.7 million.

Our History

Proman and Helm, along with Ferrostaal, acquired an ownership interest in methanol facilities in Trinidad in 1994 with the purchase of a stake in the Trinidad and Tobago Methanol Company Limited ("TTMC"). In 1997, the three companies, together with C L Financial Limited ("C L Financial"), purchased the remaining stakes in TTMC from the Government of Trinidad. In addition, C L Financial, Ferrostaal and Proman built the CMC plant which commenced production in 1993. In 1997, MHTL was formed to consolidate the shareholdings and overall management of the existing methanol companies in Trinidad and in 2003, CEL (Barbados) was formed to amalgamate the interest in MHTL. In 2009, C L Financial collapsed and the Government of Trinidad gained control over the stakes of C L Financial and Colonial Life Insurance Company (Trinidad) Limited ("Clico") in MHTL. Three years later, in 2012, Ferrostaal sold its share in CEL (Barbados) to Proman and Helm. Also in 2012, G2X was formed as a spin-off from Accelergy Corporation. G2X began operations with an initial investment from PG Clean Fuels LLC ("PGCF"), a subsidiary of Proman. On October 9, 2014, CEL (Barbados) acquired the remaining 56.53% stake in MHTL from Clico and CL Financial and became 100% shareholder of MHTL.

On May 4, 2016, G2X Energy (Beaumont) LLC ("G2X Energy"), a subsidiary of G2X, acquired a 50% equity interest in Firewater. As of March 31, 2017, CEL held 77.17% of the shares in the G2X.

Our Strengths

The following are our key strengths that we believe will allow us to achieve our goals:

Leading Market Share and Capabilities. We estimate we are the world's second-largest merchant producer of methanol based on capacity in 2016 and a leading producer of UAN and melamine. As of March 31, 2017, we estimate we had a 9.8% market share of the worldwide methanol market (including full consolidation of OMC and excluding the Chinese market) and, as of March 31, 2017, we estimate we had a 24.2% market share of the UAN merchant market based on capacity. As of March 31, 2017, based on our size and capacity, we supplied methanol, UAN and melamine to over 260 end-customers, which include Fortune 500 companies. Additionally, in 2016 we were the largest importer of methanol by volume into the United States. When we commenced operations at our M5000 plant in 2005, which, as of March 31, 2017, was the world's largest stand-alone methanol plant with a

design capacity of 5,400 tonnes per day, we significantly increased our methanol production capacity. We believe this has helped us to become the world's largest methanol importer into the United States by volume.

Global Distribution Capabilities. The industries in which we compete are global in nature and our strategic location in the Caribbean coupled with our dedicated fleet of shipping vessels allows us to serve end-customers around the world. Through our direct port access, we are able to provide our products via our vessels to most major seaports in the world. While our proximity to North America and the number of end-customers we serve in North America establishes us as a key supplier in that region, we also easily reach many end-customers on the main methanol markets in Europe. Furthermore, because our vessels have easy access to the Pacific through the Panama Canal, our vessels can also efficiently reach Asia.

Strategic Shareholders and Management Team Focusing on our Industry. Our shareholder Proman has been a part of developing Trinidad's methanol and fertilizer industries for the past three decades. Proman has designed and built many of our facilities and continues to maintain them. In addition, through its subsidiary Industrial Plant Services Limited ("IPSL"), Proman also indirectly operates and manages our facilities in Trinidad. Through our other shareholder, Helm, a major chemical distribution company based in Germany, we have access to a global distribution network and the related expertise. Helm acts directly as our local distributor for methanol, UAN and melamine in Europe and also distributes UAN in the United States. In the United States and Latin America, Helm distributes our methanol and melamine through SCC, in which both Helm and Proman hold strategic stakes. Since 2007, we have also gained valuable experience and established a customer base in South-East Asia and China, which we access directly and through our indirect 26.08% stake in OMC, which sells our products through Helm in Asia.

Because our shareholders know the industry in which we operate and have been actively engaged in our business since operational inception, we believe that they are best suited to improve the efficiency and effectiveness of our management, operations and sales. Through strategic investments in other companies in the industry, both we and our shareholders are furthermore part of a strong international and integrated network that provides us with expertise, support and access to end-customers around the world, which we believe will enhance our operational performance. In addition, our operations in Trinidad are managed by IPSL managers with an average of more than 25 years of experience. We believe that the strategic stakes we and our shareholders hold, as well as our shareholders and management's experience and expertise provide us with key benefits and synergies.

Expertise in Engineering and Construction of Plants. We own and operate five methanol plants near MHTL's headquarters in Point Lisas Industrial Estate in Trinidad and operate a natural gas to methanol plant located in Pampa, Texas. Our M5000 plant is the world's largest stand-alone methanol plant with a design capacity of 1.9 million tonnes per year. Our main shareholder, Proman, constructed five of the six facilities and together with its subsidiaries, manages and executes large EPC contracts in the petrochemical and power industry sectors, provides shipping logistics for its products, operates storage facilities and provides plant operation services. An experienced Proman team is supporting the construction activities of our Natgas Facility in Beaumont, Texas. The extensive EPC expertise that our main shareholder, Proman, has ensures the stable and successful engineering, procurement and construction and ultimate operation of our plants.

Our Strategy

Transform the Group into a Multi-Asset, Multi-Regional Diversified Energy Producer. A central element of our strategy is to transform the Group into a multi-asset, multi-regional and diversified energy producer of more than 10.7 million tonnes of annual methanol, fertilizer and ammonia capacity by the end of 2017. In order to expand our presence in the United States, we acquired a 50% equity interest in Natgas in 2016. Upon completion, which is expected in the fourth quarter of 2017, the Natgas Facility is expected to produce 1.75 million tonnes of methanol per year and also provide us with additional storage, transportation and other logistics support for our existing petrochemical businesses.

G2X, now a subsidiary of CEL, began operating its first methanol plant in Pampa, Texas in the spring of 2015. The Pampa facility, which at full capacity produces 65,000 tonnes of methanol annually, was built to meet growing regional demand for methanol in North Texas and Oklahoma. Moreover, G2X is also developing and constructing a new natural gas to methanol facility in Lake Charles, Louisiana ("Big Lake Fuels"). Big Lake Fuels is being designed to have a daily capacity of 4,100 tonnes of IMPCA specification methanol. At the date of this Company Report, all critical construction permits have been received. Basic site clearing for the construction was completed as of February 2016 and basic engineering for the plant was completed in the fourth quarter of 2016.

In addition, through our long-term engagements with a variety of end-customers in North America and Europe, we generate recurring income streams. Nevertheless, we strive to diversify our end-customer base and gain new end-customers, thereby reducing our dependence on a few large customers and allowing us to reassign our

capacities to enhance our profitability. Furthermore, we seek new end-customers not only in markets in which we already are market leaders, but also in new geographic markets, such as Asia and the Latin American markets, specifically Brazil. Through our international and integrated network, including our strategic stakes in OMC and other companies, we focus, in particular, on gaining better access to the Chinese market and reducing our dependence on the markets we already serve.

In the future, we will continue to evaluate methods of expanding our production capabilities and product offerings through organic growth and further strategic acquisitions. We also intend to pursue strategic acquisitions that offer attractive synergies. Additionally, we may seek to optimize our logistical capabilities by leasing additional vessels or storage facilities. In addition, we further intend to evaluate and pursue acquisition and development opportunities that will enhance our operating platform and increase our ability to provide our products to more end-customers in more markets.

Continue Focus on Achieving Operational Excellence. We strive to further improve our operations at our facilities to achieve operational excellence by implementing our rigorous maintenance program, which is executed by a skilled, experienced and well-trained workforce at regular intervals to ensure reliable and stable operations at our facilities. We believe that our adherence to proactive maintenance programs, including regular maintenance turnarounds every three to four years and the experience of our workforce will minimize unplanned downtime, maintain our facilities' longevity, improve our on-stream factors and let us achieve operational excellence.

Maintain a Conservative Capital Structure and Financial Policy. We are committed to maintaining a conservative capital structure with a targeted prudent leverage ratio of net debt to adjusted EBITDA of 1.5x that affords us the financial flexibility to execute our business strategy. The Group has historically maintained and expects to maintain a conservative debt structure and finance most of its expenditures from internally generated cash flow. In addition, CEL maintains a strong invested capital base with US$3.6 billion invested in property, plant and equipment, as of March 31, 2017.

Alleviate our Reliance on external Gas Supply. Proman through its subsidiary De Novo is developing an offshore natural gas field with the objective of supplying an average of 80,000 MMSCF per day of natural gas to MHTL via the National Gas Company of Trinidad and Tobago ("NGC") as strategic partner meeting a 20% interest. We expect the production start to be mid-2018. This quantity will meet approximately 17% of MHTL's natural gas demand and, in addition to gas supply which is expected to be available via the Juniper gas field and other exploration fields in Trinidad (which are expected to come online in 2017-2019), will help alleviate the curtailments that have been experienced by MHTL. We expect that two of our methanol facilities which have been idle since the beginning of 2017 to be restarted in the second half of 2017 and will have stable production in 2018.

Principal Shareholders

The ultimate shareholders of the Group are Proman (75%) and Helm (25%). The following is a brief description of each of our principal shareholders.

Proman is a leading engineering, procurement and construction group operating in various industries (gas processing, petrochemicals). It was founded in 1984 by a small group of engineers and operates through more than 50 subsidiaries in thirteen countries as of March 31, 2017. The key competencies of Proman are in engineering, feasibility studies, construction, project execution, marketing and management services and it has been active in the methanol industry in Trinidad since 1988.

Proman, via its subsidiary IPSL and IPSL's predecessor Process Plant Services Limited has contracted with MHTL to provide the overall management, operations and maintenance of the AUM and methanol plants and has overseen MHTL's operations since 1993. IPSL is also contracted to provide the same services to the CNC and N2000 facilities.

Helm is a multifunctional distribution company that specializes in chemicals, fertilizers, nutrition, pharmaceutical products and crop protection. Helm was founded in 1900 in Hamburg and has been family-owned since 1950. As of December 31, 2016, Helm is active globally via more than 100 subsidiaries and sales offices in more than 30 countries worldwide. Helm has been active in the methanol industry in Trinidad since 1984.

Recent Developments

The price of methanol has been increasing since April 2016 and the current contract prices are around US$400/tonne as of the date of this Company Report. Based on independent third party reports, we believe that methanol prices should remain at these levels through the rest of 2017. There can be no assurance that such expectations will be met. See "Risk Factors—Risk Related to Our Business and Industry—Prices we receive for our products are determined by market conditions, which could be subject to significant variations."

SUMMARY HISTORICAL AND *PRO FORMA* FINANCIAL AND OTHER INFORMATION

The following tables present summary historical consolidated financial and other information as well as unaudited pro forma financial information giving effect to the MHTL Acquisition as if it had occurred on January 1, 2014 with respect to the Pro Forma CEL (Barbados) 2014 Consolidated Statement of Comprehensive Income.

Historical Financial Information

The summary historical consolidated financial information as of and for the fiscal year ended December 31, 2014 as presented below is derived from the audited CEL (Barbados) 2014 Consolidated Financial Statements, which have been prepared in accordance with IFRS as issued by IASB and are included elsewhere in this Company Report.

The summary historical consolidated financial information as of and for the fiscal year ended December 31, 2015 as presented below is derived from the audited OPAG 2015 Consolidated Financial Statements, which have been prepared in accordance with IFRS as issued by IASB and are included elsewhere in this Company Report.

The summary historical consolidated financial information as of and for the fiscal year ended December 31, 2016 is derived from the audited CEL 2016 Consolidated Financial Statements, which have been prepared in accordance with IFRS as issued by IASB and are included elsewhere in this Company Report.

The summary unaudited condensed consolidated interim financial information as of and for the three months ended March 31, 2017 is derived from the unaudited CEL Interim Condensed Consolidated Financial Statements, which have been prepared in accordance with IAS 34 and are included elsewhere in this Company Report. Financial information as of and for the three months ended March 31, 2017 is that of CEL and its consolidated subsidiaries and CEL's financial information as of and for the three months ended March 31, 2016 represents a continuation of OPAG's financial information. The financial results for the three months ended March 31, 2017 may not be indicative of CEL's results for the full fiscal year.

The summary financial information for the twelve months ended March 31, 2017 has been derived by taking the results of the CEL 2016 Consolidated Financial Statements and subtracting the three months ended March 31, 2016 and then adding the results for the three months ended March 31, 2017, both of which are contained in the CEL Interim Condensed Consolidated Financial Statements.

The summary historical consolidated financial information should be read in conjunction with the management's discussion and analysis of results for the fiscal years ended December 31, 2014, 2015 and 2016 and the unaudited consolidated interim financial information for the three months ended March 31, 2016 and 2017, as well as the audited CEL (Barbados) 2014 Consolidated Financial Statements, the audited OPAG 2015 Consolidated Financial Statements, the audited CEL 2016 Consolidated Financial Statements and the unaudited CEL Interim Condensed Consolidated Financial Statements included elsewhere in this Company Report.

	Fiscal Years Ended December 31,		Three Months Ended March 31,		Twelve Months Ended March 31,
	2015	2016	2016	2017	2017
	(audited)		*(unaudited)*		*(unaudited)*
			(US$ in thousands)		
Consolidated Statement of Comprehensive Income/ (Loss)					
Net Sales	**1,188,879**	**711,592**	**225,800**	**294,336**	**780,128**
Other income	14,905	23,983	23	6,824	30,784
Purchase of materials, goods and services	(749,598)	(363,380)	(156,444)	(207,531)	(414,467)
Change in finished goods	(13,756)	(16,591)	3,358	4,125	(15,824)
Employee benefits expense	(2,225)	(8,878)	(470)	(2,590)	(10,998)
Other operating expense	(97,765)	(141,950)	(24,496)	(32,597)	(150,051)
Share of profit from associates	39,821	10,517	3,140	7,943	15,320
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**380,261**	**215,293**	**50,911**	**70,510**	**234,892**
Depreciation, amortization and impairment	(189,760)	(202,990)	(48,086)	(53,994)	(208,898)
Earnings before interest and taxes (EBIT)	**190,501**	**12,303**	**2,825**	**16,516**	**25,994**
Financial income	1,763	2,370	883	1,348	2,835
Financial expense	(123,181)	(134,130)	(30,086)	(36,122)	(140,166)
Financial result, net	**(121,418)**	**(131,760)**	**(29,203)**	**(34,774)**	**(137,331)**

	Fiscal Years Ended December 31,		Three Months Ended March 31,		Twelve Months Ended March 31,
	2015	2016	2016	2017	2017
	(audited)		*(unaudited)*		*(unaudited)*
			(US$ in thousands)		
Profit (loss) before taxes (EBT)	**69,083**	**(119,457)**	**(26,378)**	**(18,258)**	**(111,337)**
Taxation charge	(43,125)	(24,266)	(8,730)	(4,114)	(19,650)
Net profit (loss) for the period	**25,958**	**(143,723)**	**(35,108)**	**(22,372)**	**(130,987)**
Net profit (loss) attributable to					
Equity holders of the parent	19,422	(127,126)	(26,330)	(18,552)	(119,348)
Non-controlling interests	6,536	(16,597)	(8,778)	(3,820)	(11,639)

Certain reclassifications have been made to the OPAG 2015 Consolidated Financial Statements, when presented on a comparatives basis with CEL 2016 Consolidated Financial information in this Company Report, to conform with CEL 2016 presentation.

Consolidated Statement of Comprehensive Income

	Fiscal Year Ended December 31,	
	2014[(1)]	2015
	(audited) *(US$ in thousands)*	
Revenue	358,594	1,294,202
Cost of sales	(327,057)	(1,064,135)
Gross profit	31,537	230,067
Other income	269,735	14,905
Other expenses	(13,645)	(72,072)
General and administrative	*(13,268)*	*(71,330)*
Marketing	*(377)*	*(742)*
Operating profit	287,627	172,900
Finance costs	(25,746)	(143,638)
Share of results of associates	106,096	39,821
Profit before taxation	367,977	69,083
Taxation charge	636	(43,125)

	Fiscal Year Ended December 31,	
	2014[(1)]	2015
	(audited) *(US$ in thousands)*	
Profit for the year	368,613	25,958
Other comprehensive income/(loss)	747	(904)
Total comprehensive income	**369,360**	**25,054**

(1) The 2014 financial information is as shown in the CEL (Barbados) 2014 Consolidated Financial Statements and does not contain certain adjustments resulting from the final recognition of purchase accounting related to the MHTL Acquisition. These adjustments may be found in the "Unaudited *Pro Forma* Condensed Combined Financial Information" section.

	As of December 31,		As of March 31,
	2015	2016	2017
	(audited)		*(unaudited)*
	(US$ in thousands)		
Balance Sheet (at period end)			
Assets			
Non-current assets			
Property, plant and equipment	2,007,968	3,566,407	3,609,524
Intangible assets	577,194	569,019	565,723
Investment property	-	46,348	46,348
Investment in associates	464,847	457,222	463,883
Non-financial assets	-	3,972	1,511
Net employee defined benefit assets	11,853	11,398	11,398
Deferred tax assets	133,274	102,550	89,391
Total non-current assets	**3,195,136**	**4,756,916**	**4,787,778**
Current Assets			
Inventories	125,100	127,585	128,241
Trade and other receivables	454,124	223,931	341,518
Income tax receivables	5,244	5,244	4,678
Marketable securities	-	29,015	112,000
Restricted cash	-	28,334	45,141
Cash and cash equivalents	213,920	258,012	49,226
Total current assets	**798,388**	**672,121**	**680,804**
TOTAL ASSETS	**3,993,524**	**5,429,037**	**5,468,582**
Liabilities and Equity			
Share capital	54,075	20,877	20,877
Capital reserves	-	305,198	302,431
Retained earnings	1,024,008	1,082,611	1,060,682
Equity attributable to equity holders of the parent	**1,078,083**	**1,408,686**	**1,383,990**
Non-controlling interest	385,762	764,892	767,254
Total Equity	**1,463,845**	**2,173,578**	**2,151,244**
Non-current liabilities			
Borrowings and loans	1,475,825	2,299,236	2,316,281
Derivatives	-	2,247	5,191
Deferred tax liabilities	434,122	422,174	411,226
Provisions	398,276	385,730	386,099
Total non-current liabilities	**2,308,223**	**3,109,387**	**3,118,797**
Current Liabilities			
Borrowings and loans	60,857	1,849	627
Trade and other payables	150,643	143,019	196,675
Income tax liabilities	9,956	1,204	1,239
Total current liabilities	**221,456**	**146,072**	**198,541**
TOTAL LIABILITIES	**2,529,679**	**3,255,459**	**3,317,338**
TOTAL LIABILITIES AND EQUITY	**3,993,524**	**5,429,037**	**5,468,582**

	As of December 31,	
	2014[1]	2015
	(audited) (US$ in thousands)	

Balance Sheet (at period end)

	2014[1]	2015
Assets		
Non-current assets		
Property, plant and equipment	2,258,480	2,007,968
Intangible assets	649,017	577,194
Investment in associates	166,847	464,847
Pension asset	12,718	11,853
Deferred taxation	146,584	133,274
	3,233,646	3,195,136
Current Assets		
Inventories	138,861	125,100
Trade and other receivables	397,616	454,124
Taxation recoverable	5,244	5,244
Cash and cash equivalents	346,169	213,920
	887,890	798,388
Total assets	**4,121,536**	**3,993,524**
Equity and Liabilities		
Stated capital	219,741	54,075
Retained earnings	907,412	1,024,008
Non-controlling interest	-	385,762
	1,127,153	1,463,845
Non-current liabilities		
Borrowings	1,584,522	1,475,825
Deferred taxation	425,224	434,122
Asset retirement obligations	226,469	233,622
Other liabilities	285,203	164,654
	2,521,418	2,308,223
Current Liabilities		
Borrowings	223,484	60,857
Trade and other payables	157,200	150,643
Taxation payable	3,723	9,956
Other liabilities	88,558	-
	472,965	221,456
Total liabilities	2,994,383	2,529,679
Total equity and liabilities	**4,121,536**	**3,993,524**

(1) The 2014 financial information is as shown in the CEL (Barbados) 2014 Consolidated Financial Statements and does not contain certain adjustments resulting from the final recognition of purchase accounting related to the MHTL Acquisition. These adjustments may be found in the "Unaudited *Pro Forma* Condensed Combined Financial Information" section.

Other Financial Information

The following table shows the CEL's selected other financial information as of and for the twelve months ended March 31, 2017, prepared in accordance with the basis of preparation as described in the footnotes thereto.

	Twelve months ended March 31,
	2017
	(unaudited) (US$ in thousands)
EBITDA[1]	234,892
Adjusted EBITDA[2]	275,655

(1) We define EBITDA as profit/loss before taxation, finance expenses/income, depreciation, impairment and amortization. EBITDA is not a measurement of performance under IFRS and you should not consider EBITDA as an alternative to (a) profit for the period (as determined in accordance with IFRS) as a measure of our operating performance, (b) cash flows from operating investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

We believe that EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate us. EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing our EBITDA to EBITDA of other companies.

The following table reconciles profit to EBITDA as defined by us for the period indicated:

	Twelve months ended March 31,
	2017
	(unaudited) *(US$ in thousands)*
Loss	**(130,987)**
Income taxes	19,650
Finance cost/income	137,331
Earnings before interest and tax (EBIT)	**25,994**
Amortization, depreciation and impairment	208,898
EBITDA	**234,892**

(2) We define Adjusted EBITDA as EBITDA plus cash dividends paid to CEL and its subsidiaries by associates plus proceeds from reduction in investments in associated companies less share of profit of associates. Adjusted EBITDA is not a measurement of performance under IFRS and you should not consider Adjusted EBITDA as an alternative to (a) profit for the period (as determined in accordance with IFRS) as a measure of our operating performance, (b) cash flows from operating investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

We believe that Adjusted EBITDA is a useful indicator of our ability to incur and service our indebtedness and can assist analysts, investors and other parties to evaluate us. Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing our Adjusted EBITDA to EBITDA of other companies.

The following table reconciles EBITDA for the period to Adjusted EBITDA as defined by us for the periods indicated:

	Twelve months ended March 31,
	2017
	(unaudited) *(US$ in thousands)*
EBITDA	**234,892**
Less: Share of profit from associates (Non-cash)	(15,320)
Plus: Net other expenses[(a)]	40,711
Consolidated Asset EBITDA (MHTL)[(b)]	**260,283**
Plus: Dividends received from associates (cash)	15,372
Adjusted EBITDA	275,655

(a) Net other expenses is comprised of (i) start-up expenses related to G2X investments in Natgas, as well as (ii) holding company expenses related to administration, group reorganization and other operating costs. Net other expenses is calculated by subtracting EBITDA from consolidated asset EBITDA (MHTL) and adding back share of profits from associates. This adjustment of net other expenses is done for illustrative purposes to improve comparability with prior periods before the reorganization of the Group.

(b)

	Twelve months ended March 31,
	2017
	(US$ thousands)
MHTL Operating Profit	**71,767**
Plus: MHTL Depreciation	*188,516*
Consolidated Asset EBITDA (MHTL)	**260,283**

Unaudited *Pro Forma* Condensed Combined Financial Information of CEL (Barbados)

The following summary unaudited *pro forma* condensed combined financial information of CEL (Barbados) and its subsidiaries for the fiscal year ended December 31, 2014 has been derived from the CEL (Barbados) 2014 Consolidated Financial Statements and the MHTL Interim Condensed Financial Statements, which are all included elsewhere in this Company Report.

The *pro forma* adjustments give effect to the acquisition and the financing of the remaining 56.53% stake in MHTL by CEL (Barbados) and the application of the proceeds therefrom; and are prepared as described in the notes to the "Unaudited *Pro Forma* Condensed Combined Financial Information." For the purposes of this unaudited *pro forma* condensed combined financial information, the MHTL Acquisition and the issuance of the Existing Notes are deemed to have occurred on January 1, 2014 for the CEL (Barbados) *Pro Forma* Condensed Combined Consolidated Statements of Comprehensive Income for the year ended December 31, 2014.

The *pro forma* adjustments give effect to events that are directly attributable to the MHTL Acquisition, are factually supportable and, with respect to the unaudited *pro forma* condensed consolidated combined statements of comprehensive income, are expected to have a continuing impact on CEL (Barbados).

The *pro forma* adjustments and related assumptions are described under "Unaudited *Pro Forma* Condensed Combined Financial Information", which should be read in conjunction with the unaudited *pro forma* condensed combined financial information. The MHTL Acquisition was accounted for as a business combination achieved in stages using the acquisition method of accounting. CEL (Barbados) elected to measure the previously held 43.47% interest in MHTL by CEL (Barbados) at fair value at the acquisition date, and the resulting gain of $268.9 million is included in other income in the Group's statement of comprehensive income for the fiscal year ended December 31, 2014.

The fair value of the previously held equity interest was determined based on the fair value of the purchase price of $1,175 million of the remaining 56.53% in MHTL. The purchase price, which represented a third party valuation, implied MHTL's total equity was valued at $2,078 million.

The consideration paid excluded acquisition related costs of $5.8 million. These costs were charged to general and administrative expenses in the Group's statement of comprehensive income for the fiscal year ended December 31, 2014.

Please refer to the unaudited *pro forma* condensed combined financial information of CEL (Barbados) for a further discussion of the purchase price allocation and its impact on our financial position and results.

The summary unaudited *pro forma* condensed combined financial information has not been prepared in accordance with Regulation S-X of the US Securities Act, the Prospectus Directive, any other regulatory requirements or any generally accepted accounting standards and has been prepared for information purposes only. It should not be considered indicative of actual results that would have been achieved had the MHTL Acquisition been completed on the dates indicated and does not purport to indicate CEL (Barbados)'s future consolidated results of operations.

You should read the following data in conjunction with "Unaudited Condensed Combined *Pro Forma* Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and with the financial information included elsewhere in this Company Report, including the consolidated financial statements and related notes of each of CEL (Barbados) and MHTL.

	***Pro Forma* Fiscal Year Ended December 31,**
	2014
	(unaudited) *(US$ in thousands)*
***Pro Forma* Combined Statement of Comprehensive Income**	
Revenues	1,562,760
Cost of Sales	(1,361,750)
Gross Profit	201,010
Other Income	28,730
Other Expenses	(17,404)
General and administrative	*(16,454)*
Marketing	*(950)*
Operating Profit	212,336
Finance Costs	(121,869)

	Pro Forma Fiscal Year Ended December 31,
	2014
	(unaudited) *(US$ in thousands)*
Share of Results of Associates	44,576
Profit before Taxation	135,043
Taxation Charge	(44,653)
Profit for the Year	90,390
Other Comprehensive Income	747
Total Comprehensive Income	**91,137**

Operating Information[1]

Methanol

	Fiscal Years Ended December 31,			Three Months Ended March 31,		Twelve Months Ended March 31,
	2014	2015	2016	2016	2017	2017
Production in tonnes	3,387,693	3,343,262	2,542,905	882,833	521,822	2,241,894
Sales in tonnes	3,407,458	3,279,737	2,763,383	828,100	761,204	2,696,487

Ammonia

	Fiscal Years Ended December 31,			Three Months Ended March 31,		Twelve Months Ended March 31,
	2014	2015	2016	2016	2017	2017
Production in tonnes	612,045	542,955	598,139	163,852	148,506	582,793
Sales in tonnes	57,002	37,500	79,093	0	13,826	92,919

UAN

	Fiscal Years Ended December 31,			Three Months Ended March 31,		Twelve Months Ended March 31,
	2014	2015	2016	2016	2017	2017
Production in tonnes	1,264,397	1,386,572	1,234,923	371,283	333,258	1,196,898
Sales in tonnes	1,279,932	1,391,372	1,240,794	361,068	351,911	1,231,637

Melamine

	Fiscal Years Ended December 31,			Three Months Ended March 31,		Twelve Months Ended March 31,
	2014	2015	2016	2016	2017	2017
Production in tonnes	25,286	23,963	20,092	6,768	6,403	19,727
Sales in tonnes	25,328	24,384	19,440	6,120	6,040	19,360

(1) Operating information relates to MHTL only.

RISK FACTORS

You should carefully consider each of the following risks and all of the information set forth in this Company Report. If any of the following risks and uncertainties develops into an actual event, our business, financial condition, cash flows or results of operations could be materially adversely affected. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations. In that case, we might not be able to meet our financial obligations.

This Company Report also contains "forward-looking" statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this Company Report. Please see "Forward-Looking Statements."

Risks Related to Our Business and Industry

Prices we receive for our products are determined by market conditions, which could be subject to significant variations.

All of our products are global commodities, with little or no product differentiation and end-customers make their purchasing decisions principally on the basis of delivered price and availability of the product. As a result, the prevailing market sales prices for our products are subject to volatile, cyclical and seasonal changes in respect to relatively small changes in demand. Since the prices at which we sell our products are determined by prevailing market conditions, the revenue we receive from the sales of our products will be subject to significant variations from period to period in response to changes in prevailing market prices, which will result in changes in our available cash. This may have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Our facilities face operating hazards and interruptions, including unscheduled maintenance or downtime.

Our production operations, which are headquartered in the Point Lisas Industrial Estate in Trinidad, West Indies and which comprise an additional facility located in Pampa, Texas, are subject to significant operating hazards and interruptions. Any significant curtailing of production at our facilities or individual units within our facilities could result in materially lower revenue and cash flow levels and materially increased expenses for the duration of any downtime. Much of our equipment is installed outdoors and is subject to the weather conditions that affect Trinidad and Pampa, Texas 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. In addition, major accidents, sabotage, fires, floods or other events could damage our facilities or the environment and the surrounding community or result in injuries or loss of life. Such events may materially adversely impact our business, financial condition and results of operations.

Operations at our facilities could be curtailed or partially or completely shut down, temporarily or permanently, as the result of a number of circumstances, most of which are not within our control, such as:

- unscheduled maintenance or catastrophic events such as a major accident or fire, damage by severe weather, flooding, earthquakes or other natural disasters;
- labor difficulties that result in a work stoppage or slowdown;
- environmental proceedings or other litigation that compel the cessation of all or a portion of the operations at our facilities;
- increasingly stringent environmental regulations;
- a disruption in the supply of natural gas, water, electricity or carbon dioxide to our facilities; and
- governmental limitations on the use of our products, either generally or specifically those manufactured at our facilities.

For example, in 2015, 2016 and the three months ended March 31, 2017, companies located in and sourcing natural gas from Trinidad suffered from continuous and volatile gas curtailments due to upstream supply shortages. In 2015, 2016 and the three months ended March 31, 2017, these curtailments caused lower production and unplanned downtime in our MHTL facilities. These gas curtailments significantly impacted our melamine operations, resulting in our melamine II plant being idle since January 2015. In addition, two of our methanol facilities have been idle since the beginning of 2017. In 2015, 2016 and the three months ended March 31, 2017, we also experienced outages in our methanol and AUM facilities. One of our methanol facilities

underwent planned maintenance downtime which extended to 37 days in September 2015 and continued into October 2015. In 2016, the M5000 facility was shut down for planned maintenance for a period of 65 days beginning September 22, 2016. Additionally, some of our facilities further experienced additional mechanically-related unscheduled downtime. Scheduled and unscheduled maintenance or other downtime could have a material adverse effect on our results of operations and financial condition during the period of time that any of our units is not operating. The magnitude of the effect on us of any downtime will depend on the length of the downtime and the extent our operations are affected by the downtime.

We expect to perform maintenance turnarounds at each of our methanol and ammonia facilities approximately every four years and every three years at each of our other facilities. A turnaround will typically last from 28 to 35 days (including shutdown and start-up days), but can last longer and, excluding business interruptions, is expected to cost approximately US$10 million to US$35 million per turnaround, depending on the facility. Such turnarounds may have a material impact on our cash in the quarter or quarters in which they occur. We have staggered our turnarounds and have budgeted to undertake our next turnaround at the MHTL facilities in 2018. This will result in approximately 15 days of downtime at the AUM ammonia facility. There can be no guarantee that any of our facilities will not need more downtime or take longer to start-up again or that a turnaround will not cost more than anticipated. During any downtime, we may not be able to fulfill our contracts or may have to purchase products from third parties to fulfill such customer contracts, which may cause us to incur losses. This may have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Our production processes and products may not always meet our required levels of quality.

Our production processes may be impacted by malfunctions or varying parameters that may have an impact on the quality of our end products. There can be no guarantee that the quality of our products will not be further affected by other parameters in the production or logistics processes. Furthermore, there can be no guarantee that we will be able to solve future quality issues within an acceptable time frame or at all. Quality issues such as melamine clumping could have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

We are not fully insured against all risks related to our business.

We may be subject to substantial liability claims due to the inherently hazardous nature of our operations and construction businesses or for acts and omissions of respective subcontractors, operators or joint venture partners. Any contractual indemnities we may receive from such parties may be difficult to enforce if such sub-contractors, operators or joint venture partners lack adequate resources. There can be no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover related losses or liabilities. In addition, we may also suffer material losses from uninsurable or uninsured risks. A major accident, sabotage, act of terrorism, fire, flood or other event could damage our facilities or the environment and the surrounding community or result in injuries or loss of life. If we experience significant property damage, business interruption, environmental claims or other liabilities, our business could be materially adversely affected to the extent the damages or claims exceed the amount of valid and collectible insurance available to us. We are currently insured under general liability, third party liability, terrorism, business interruption and "all risk" policies, as well as specific insurance policies, which cover typical risks associated with EPC projects, operating plants and marine transportation.

We may, in the future, face material adverse financial obligations caused by shutdowns and facility failures for amounts exceeding the cover by our insurance policies or events not covered by our policies. Market factors, including but not limited to catastrophic perils that impact our industry, significant changes in the investment returns of insurance companies, insurance company solvency trends and industry loss ratios and loss trends, can negatively impact the future cost and availability of insurance. There can be no assurance that we will be able to buy and maintain insurance in the future with adequate limits, reasonable pricing terms and conditions, or at all. The occurrence of any operating risk not covered by our insurance or other risks involving our insurance policies could have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

The completion of the Natgas Facility involves risks and uncertainties.

During the completion phase of our Natgas Facility, we may encounter unexpected operational difficulties, including, without limitation, technical issues, shortages of materials and labor, work stoppages, labor disputes, fires, hurricanes, earthquakes, floods, changes in law, unforeseen weather, environmental and unanticipated cost increases. Operational difficulties may lead to delayed completion of the works, which may result in the delayed delivery of the works, cost overruns, potential renegotiations or the inability to complete the projects in accordance with schedules, budgets or even at all, all of which may have a material adverse effect on our

business, financial condition and results of operations. Certain information in this Company Report relating to Natgas assumes that construction of our Natgas Facility has been completed on time, on budget and is operating at its full capacity. There can be no assurance as to when our Natgas Facility will commence production and whether any of the other risks described in this paragraph will impact the timing and cost of completion and production at our Natgas Facility. Therefore, everyone should make their own assessment as to the future performance of our Natgas Facility. See "Forward-Looking Statements."

The Natgas Facility will be subject to significant operational risks which may impact our ability to achieve our intended results from this facility.

Certain information in this Company Report relating to our Natgas Facility, including, among other things, the potential financial impact of Natgas on our historical and future results of operations and financial condition, is presented on the basis that construction of the Natgas Facility has been completed and without meaningful cost overruns or delays. As with any facility of similar size and nature, the actual operations of the Natgas Facility may be affected by many factors that may impact our ability to achieve our goals with respect to the Natgas Facility, including the following:

- ramp-up problems, the breakdown or failure of equipment or processes, the performance of the Natgas Facility below expected production levels or level of efficiency, feedstock or utility supply disruptions, environmental proceedings or other litigation that compel cessation of all or a portion of the operation, increased stringent environmental regulations and/or labor disputes;
- the operations of the Natgas Facility could be affected by both natural and man-made catastrophic events beyond our control, such as fires, earthquakes, floods, severe storms, explosions, major accidents, armed conflict, hostilities, acts of terrorism and similar events;
- our expectations with respect to the cash needs of the Natgas Facility, the potential growth in the market for methanol, customer and end-user demand, the competitive landscape and other trends in our industry, as well as our ability to benefit from those trends, may prove to be inaccurate, and change in the global economy may impact our ability to generate favorable financial results from the Natgas Facility;
- the costs to run the Natgas Facility may exceed our estimates;
- we may experience unexpected delays in the completion of the Natgas Facility, commencing production or reaching full production capacity;
- we may experience unexpected disputes with the other investors in our Natgas Facility which could affect the financial performance of the Natgas Facility and distract management attention from operating the facility; and
- unlike our existing production facilities, we currently do not have any off-take or similar agreements or arrangements in place for production from our Natgas Facility. There can be no assurance that we will be able to enter into such agreements arrangements or otherwise find customers for production from our Natgas Facility on commercially reasonable terms, or at all.

The occurrence of such events could significantly reduce or eliminate revenues generated by the Natgas Facility and significantly increase the expenses and thereby have a material adverse effect on our business, financial condition and results of operations and in particular, may materially impact the accuracy of the information in this Company Report which is presented on the basis that Natgas has been completed and is operating at full capacity.

The methanol industry is subject to commodity price volatility and supply and demand uncertainty.

The methanol industry has historically been characterized by cycles of oversupply caused by either excess supply or reduced demand, resulting in lower prices and idling of capacity, followed by periods of shortage and rising prices as demand exceeds supply until increased prices lead to new plant investment or the restart of idled capacity. The methanol industry has historically operated significantly below stated capacity on a consistent basis, even in periods of high methanol prices, primarily due to shutdowns for planned and unplanned repairs and maintenance, temporary closures of marginal production facilities, as well as shortages of raw materials and other production inputs.

The methanol business is a highly competitive commodity industry and prices are affected by supply and demand fundamentals and global energy prices. Methanol prices have historically been and are expected to continue to be, characterized by significant cyclicality. For example, the average SCC Monthly Posted Contract price for methanol decreased by approximately 25% from 2014 to 2015 and by approximately 33% from 2015 to

2016. Additional methanol supply can also become available in the future by restarting idle methanol plants, carrying out major expansions of existing plants or debottlenecking existing plants to increase their production capacity. Historically, higher-cost plants have been shut down or idled when methanol prices are low, but there can be no assurance that this practice will occur in the future or that such plants will remain idle.

Demand for methanol largely depends upon levels of global industrial production, changes in general economic conditions and energy prices. We are not able to predict future methanol supply and demand balances, market conditions, global economic activity, methanol prices or energy prices, all of which are affected by numerous factors beyond our control. Since methanol constitutes a significant portion of the products we produce and market, a decline in the price of methanol would have an adverse impact on our financial condition, cash flows and results of operations and consequently on the ability to meet our financial obligations.

The UAN business is, and related prices are, cyclical and highly volatile and have experienced substantial downturns.

UAN is a commodity and demand as well as related prices can be highly volatile. In particular, our UAN business is exposed to fluctuations in the demand for nitrogen fertilizer for the agricultural industry. These fluctuations historically have had and could in the future have significant effects on prices of UAN and, in turn, our financial condition, cash flows and results of operations.

The UAN industry is generally seasonal. Farmers tend to apply nitrogen fertilizer during two short application periods, one in the spring and the other in the fall. The strongest demand for nitrogen fertilizers typically occurs during the planting season. In contrast, we and other UAN producers generally produce our products throughout the year. As a result, UAN producers generally build inventories during the low demand periods of the year in order to ensure timely product availability during the peak sales seasons. The seasonality of nitrogen fertilizer demand results in UAN producers' sales volumes being highest during the North American spring season and their working capital requirements typically being highest just prior to the start of the spring season. The degree of seasonality of the UAN industry can change significantly from year to year due to conditions in the agricultural industry and other factors.

The pricing and demand for nitrogen fertilizer products is also dependent on demand for crop nutrients by the global agricultural industry. The agricultural products business can be affected by a number of factors. The most important of these factors are:

- weather patterns and field conditions (particularly during periods of traditionally high nitrogen fertilizer consumption);
- quantities of nitrogen fertilizers imported to any relevant market;
- current and projected grain inventories and prices, which are heavily influenced by US exports and world-wide grain markets; and
- governmental policies, including farm and biofuel policies, which may directly or indirectly influence the number of acres planted, the level of grain inventories, the mix of crops planted or crop prices.

International market conditions may also significantly influence our operating results. The international market for nitrogen fertilizers is influenced by such factors as the relative value of the US dollar and its impact upon the cost of importing nitrogen fertilizers, foreign agricultural policies, the existence of, or changes in, import or foreign currency exchange barriers in certain foreign markets, changes in the hard currency demands of certain countries and other regulatory policies of foreign governments.

Since UAN constitutes a significant portion of the products we produce and market, a decline in the price of or demand for nitrogen fertilizers would have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

The melamine industry is subject to commodity price volatility and supply and demand uncertainty.

The melamine business is a highly competitive commodity industry. Both local production levels and prices are largely affected by levels of global industrial production, global energy prices and inconsistent economic conditions. In the past, the industry has been undergoing cycles of shortages and increasing prices when demand exceeded supply, followed by periods of oversupply due to additional availability of melamine resulting in lower market prices and inoperative facilities and capacities. We are unable to predict future melamine global production levels, energy prices and economic activities as well as any costs related to the production of melamine. All values are affected by a number of factors beyond our control.

Our melamine business has historically been operating significantly below budgeted production levels and revenue expectations, even in periods of relatively stable market prices. This is mainly attributable to mechanical

issues, plant shutdowns and quality issues related thereto. Additional melamine supply from third-party producers may further reduce actual production levels as a result of rising commodity market availability. The risk of idle capacities, any risks related thereto or any risks related to the production of melamine do constitute a risk that could have an adverse impact on our financial condition, cash flows and results of operations and consequently on the ability to meet our financial obligations.

Our products are global commodities and we face intense competition from other producers.

Our business is subject to intense price competition. Our products are global commodities, with little or no product differentiation and end-customers make their purchasing decisions principally on the basis of delivered price and availability of the product. Some competitors have greater total resources and are less dependent on earnings from methanol, ammonia, UAN and melamine, which make them less vulnerable to industry downturns and better positioned to pursue new expansion and development opportunities. In addition, some of our competitors, such as Methanex, LyondellBasell and Celanese, have relocated, restarted or constructed methanol plants in the US Gulf Coast region over the past few years, which compete directly with our facilities. In addition, for example, C F Industries has significantly increased its production of UAN in Louisiana. If we are unable to provide end-customers with a reliable supply of methanol, UAN and melamine at competitive prices, we may lose market share to our competitors, which, absent our ability to replace lost market share with volumes in other geographies, could have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Future demand for methanol for MTBE production, especially in the United States as our largest market, may be adversely affected by regulatory developments.

Changes in environmental, health and safety laws, regulations or requirements could impact methanol demand for the production of methyl tertiary butyl ether ("MTBE"). While MTBE has been phased-out as a gasoline additive in the United States due to environmental concerns and legislative action, methanol was still used in the United States to produce MTBE and Tertiary-Amyl Methyl Ether (TAME) for export markets, where demand for MTBE has continued at strong levels. Demand for methanol for use in MTBE production in the United States could decline materially if export demand is impacted by governmental legislation, policy changes or other unforeseen reasons. The US Environmental Protection Agency (the "EPA") has reviewed the human health effects of MTBE, including its potential carcinogenicity. The EPA's Office of Water has concluded that available data is not adequate to estimate potential health risks of MTBE at low exposure levels in drinking water, but also that the data supports the conclusion that MTBE is a potential human carcinogen at high doses. The European Union issued a final risk assessment report on MTBE in 2002 that permitted the continued use of MTBE, although several risk reduction measures relating to the storage and handling of fuels were recommended. Governmental efforts in recent years in some regions, primarily in Europe and Latin America, to promote biofuels and alternative fuels through legislation or tax policy are also putting competitive pressures on the use of MTBE in gasoline in these regions. Declines in demand for methanol for use in MTBE production could have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Future demand for our products may be adversely affected by regulatory developments.

Regulators in different jurisdictions, such as in the EU and the United States, have engaged in various programs to identify and regulate substances posing hazards to the environment and human health. Some of the products and substances we produce, in particular methanol, ammonia and urea, have in the past been identified as potentially hazardous to the environment and human health. For example, the EPA's Integrated Risk Information System (IRIS), a human health assessment program that evaluates information on health effects that may result from exposure to environmental contaminants, includes methanol, ammonia and urea on its list of potential environmental contaminants affecting human health. In addition, the EPA may order methanol producing companies to perform mandatory tests under the endocrine disruptor screening program (EDSP) to ascertain whether methanol has any effects on the hormone system and may be a carcinogen. In the EU, the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation entered into force on June 1, 2007 and addresses the production and use of chemical substances and their potential impacts on both human health and the environment. Such regulations and programs may directly impact our business.

Furthermore, some of our end-customers use methanol that we supply to manufacture formaldehyde, among other chemicals. Formaldehyde currently represents the largest single demand use for methanol in the United States. Formaldehyde, a component of resins used as wood adhesives and as a raw material for engineered plastics and a variety of other products, including elastomers, paints, building products, foams, polyurethane and automotive products, has been classified by the EPA as a likely carcinogen. Changes in environmental, health and safety laws, regulations or requirements relating to formaldehyde could impact methanol demand, which

could indirectly have a material adverse effect on our business. In 2015, the National Toxicological Program of the US Department of Health and Human Services (the "NTP") issued its 13th Report on Carcinogens (the "RoC") which lists formaldehyde as "known to be a human carcinogen." In August 2014, the National Academy of Sciences (the "NAS") confirmed that formaldehyde is a known human carcinogen, after a request by the US Congress in 2011. In addition, the EPA finalized rules that set limits on formaldehyde emissions from composite wood products that use formaldehyde based adhesives in July 2016. The rule implements the formaldehyde standards for composite wood and other products as required by the Formaldehyde Standards for Composite Wood Products Act. The rule establishes a system where accredited third party certifiers review and certify that composite wood products meet the applicable standards. It is possible that this rule may affect demand for methanol for formaldehyde production. It is also possible that additional regulatory requirements could be proposed or adopted that would affect our formaldehyde-producing end-customers. As a result of these present and possible future regulatory initiatives, we cannot assure you that the demand for our methanol for use in formaldehyde production and our results of operations will not be materially and adversely affected.

Any limitations on the use of nitrogen fertilizer for agricultural purposes could have a material adverse effect on the market for ammonia-based products, including UAN.

Conditions in the United States and other countries' agricultural industry may significantly impact our operating results. Governmental regulations and policies, including farm and biofuel subsidies and commodity support programs, as well as the prices of fertilizer products, may also directly or indirectly influence the number of acres planted, the mix of crops planted and the use of UAN for particular agricultural applications. Developments in crop technology, such as nitrogen fixation, which is the conversion of atmospheric nitrogen into compounds that plants can assimilate, could also reduce the use of chemical fertilizers and adversely affect the demand for nitrogen fertilizer and thus affect general demand for and pricing of UAN. Unfavorable industry conditions and new technological developments could have a material adverse effect on our results of operations and financial condition.

In addition, future environmental laws and regulations, or new interpretations of existing laws or regulations, could limit our ability to market and sell our products to end users. For example, limitations on the use and application of chemical fertilizers due to concerns about the impact of these products on the environment or the imposition of numeric nutrient water quality criteria could result in decreased demand for fertilizer products. This could require farmers to implement best management practices, including the reduction of fertilizer use, to reduce the impact of fertilizer on the environment. Any laws, regulations or interpretations leading to such a result could have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Ethanol production may decrease in our main markets or there may be a shift away from corn as a principal raw material used to produce ethanol.

A major factor underlying the current high level of demand for nitrogen-based fertilizer products is the expanding production of ethanol, especially in the United States where 2016 ethanol production capacity increased for the third consecutive year, and the expanded use of corn in ethanol production. Ethanol production in the United States is highly dependent upon numerous US federal and state laws and regulations and is made significantly more competitive by various US federal and state incentives, mandated production of ethanol pursuant to US federal renewable fuel standards and permitted increases in ethanol percentages in gasoline blends, such as E15, a gasoline blend containing 15% ethanol. However, a number of factors, including a continuing "food versus fuel" debate and studies showing that expanded ethanol production may increase the level of greenhouse gases in the environment, have resulted in calls to reduce subsidies for ethanol, allow increased ethanol imports and adopt temporary waivers of the current renewable fuel standard levels, any of which could have an adverse effect on corn–based ethanol production, planted corn acreage and fertilizer demand. Therefore, ethanol incentive programs may not be renewed, or if renewed, they may be renewed on terms significantly less favorable to ethanol producers than current incentive programs. For example, on December 31, 2011, the US Congress allowed both the 45 cents per gallon ethanol tax credit and the 54 cents per gallon ethanol import tariff to expire and both measures have not been reinstated since. Similarly, the EPA's waivers partially approving the use of E15 could be revised, rescinded or delayed. These actions could have a material adverse effect on ethanol production in the United States, which could reduce the demand for UAN for use as a nitrogen fertilizer. If such reduced demand for nitrogen fertilizer in the United States were significant and prolonged, it could adversely affect UAN prices and the amounts of UAN we can sell to end-customers, which could have a material adverse effect on our results of operations and financial condition.

Furthermore, most ethanol is currently produced from corn and other raw grains, such as milo or sorghum. The current trend in ethanol production research is to develop an efficient method of producing ethanol from cellulose-based biomass, such as agricultural waste, forest residue, municipal solid waste and energy crops

(plants grown for use to make biofuels or directly exploited for their energy content). If an efficient method of producing ethanol from cellulose-based biomass is developed, the demand for corn may decrease significantly, which could reduce demand for nitrogen fertilizer products and have a material adverse effect on the prices we receive on sales of UAN and our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Increased use of hydraulic fracturing could have an indirect effect on our financial performance.

Hydraulic fracturing is an increasingly common practice that is used to stimulate production of crude oil and/or natural gas from dense subsurface rock formations. Because oil and/or natural gas production using hydraulic fracturing has grown rapidly in the United States, this has led to an increase in the supply of natural gas and a decrease in the price of natural gas in the United States. Any decrease in the price of natural gas in the United States and other parts of the world could adversely affect our competitive position as manufacturing costs for methanol, ammonia, UAN and melamine decrease for our competitors. This increases the competitive pressure on prices for our products which in turn could have a material adverse effect on our results of operations and financial condition and consequently on the ability to meet our financial obligations.

One or several of our third-party suppliers may be unable to perform in accordance with its contractual obligations.

Our operations depend in large part on the performance of a few third-party suppliers. For example, we source all our natural gas in Trinidad from the NGC and our ability to obtain natural gas for the production of our products is dependent upon the availability of this third party's delivery system connected to our facilities. Any decline in quality, disruption in production or inability of this or any of our other suppliers to supply raw materials and supplies we require in sufficient quantities or in a timely manner, whether as a result of a natural disaster, labor strikes, financial difficulties or other causes, could have a material adverse effect on our operations and may require us to take certain production facilities off-line. For example, in 2017, MHTL decided to mothball two of its facilities due to a lack of raw material supply. While these facilities may be restarted they represent 1,050,000 tonnes of capacity**.** If third-party supplies become partially or completely unavailable, our ability to operate could be restricted, thereby reducing our profitability. In addition, should any of our third-party suppliers fail to perform in accordance with existing contractual arrangements, our operations could be forced to halt. Alternative sources of supply could be difficult to obtain. Any downtime associated with our operations, even for a limited period, could have a material adverse effect on our results of operations and our financial condition and consequently on the ability to meet our financial obligations.

Our business may be exposed to fluctuations in costs related to raw materials, in particular natural gas and we may be unable to continue to source our raw materials at existing conditions.

Our business operations rely on raw materials supplied by third-party suppliers. As a result, we are exposed to fluctuations in availability and costs related to natural gas and other inputs. Supply of some of our raw materials, such as natural gas, can be affected by multiple factors, such as weather, maintenance of pipelines, politics and competitive pressures. While we currently have agreements with NGC for some of our plants that allow us to purchase gas at prices based on the prices of our end-products on the international markets, the price of gas is generally subject to a floor gas price which escalates annually for the duration of the contract. We are currently renegotiating some of our gas supply contracts that have expired with NGC. We cannot guarantee that we will be able to successfully negotiate new gas supply contracts and therefore may not secure natural gas at attractive prices and conditions in the future. There can be no assurance that we will be successful in passing on any cost increases in our raw materials to end-customers. As a consequence, significant changes in the prices of raw materials may have a material effect on our results of operations, liquidity and financial condition and consequently on the ability to meet our financial obligations.

Our operations are largely dependent on the local supply of natural gas and other limited resources.

Our operations are located in Trinidad, an island state in the Caribbean rich in natural gas resources, and in Pampa, Texas. We cannot guarantee that local access to natural gas, which is the main raw material in our production processes, or any other required resources, will continue to be readily available in the future. Should Trinidad experience continued natural gas shortfalls in the future, we may be required to pay higher prices for imported natural gas, relocate or cease our operations, all of which may impact our production capacities. A shortage of natural gas or other (limited) resources would have a material adverse effect on our results of operations and our financial condition and consequently on the ability to meet our financial obligations.

Our operations are subject to delays, interruptions or other limitations in the transportation of the products we produce.

Transportation logistics play an important role in allowing us to supply products to our end-customers. Any significant delays, interruptions or other limitations on the ability to transport our products could negatively affect our operations. The vast majority of our products are transported by sea. Delays and interruptions of our delivery system may be caused by weather-related events, including hurricanes, which would prevent the operation of vessels transporting our products by sea or of pipelines used to distribute our products domestically. Prolonged interruptions in the transport of our products could have a material adverse effect on our results of operations and financial condition.

In the event that our competitors are able to transport their products more efficiently or cost effectively than we do or work with end-customers to develop direct pipelines to such end-customers, those end-customers may reduce or cease purchases of our products. If this were to occur, we could be forced to make a substantial investment in transportation capabilities to meet our end-customers' delivery needs and this would be expensive and time consuming and there can be no guarantee of the success of such investments. We may not be able to obtain transportation capabilities on a timely basis or at all and our inability to provide transportation for products could have a material adverse effect on our results of operations and our financial condition and consequently on the ability to meet our financial obligations.

A significant portion of our revenues comes from a limited number of end-customers and any decrease in sales to these end-customers or our inability to establish new end-customer relationships could harm our business, results of operations and financial condition.

We derive and believe that we will continue to derive, most of our revenues from a limited number of end-customers, which purchase our products from our distributors Helm AG ("Helm"), N2000, Southern Chemical Corporation ("SCC") and Koch Nitrogen International S.à r.l. (together, the "Distributors"). In the twelve months ended March 31, 2017, we estimate that our top ten methanol end-customers accounted for approximately 60% of our total methanol sales. No single end-customer accounted for more than approximately 20% of our total sales as of March 31, 2017 and we seek to further diversify our customer base with the methanol capacity made available. In the twelve months ended March 31, 2017, our largest methanol end-customers by volume are SK Chemicals, Hexion, Dow Corning, Koch and BASF in North America and BP, BASF, Helm and Forsea in Europe. For UAN, our top end-customers by volume are Crop Production Services, CHS and Simplot Agri Business in North America and Invivo, Sicapa, Area and Seveal in Europe. For melamine, our top end-customers by volume are Panolam, Hexion and Ineos in North America and Foresa, Sadepan, Chimica and Leyline in Europe. Our end-customers, at any time, may decide to purchase fewer tonnes of our products from us via our Distributors. If our end-customers decide to purchase fewer tonnes of our products or at lower prices and we and our Distributors are unable to find replacement counterparties on terms as favorable as our current arrangements, this could have a material adverse effect on our results of operations and our financial condition and consequently on the ability to meet our financial obligations.

The off-take agreements we have entered into may only be operable at unfavorable conditions or terminated in the future.

We have entered into several sales agreements with Helm, N2000 and SCC (our "Offtakers") for the direct off-take of all our production capacities and distribution by our Distributors. In the past, long-term sales agreements of typically ten years, individual to each of our products, were entered into with our Offtakers on terms economically favorable to both parties, with current contracts due to expire in 2019 (N2000), 2022 (SCC) and 2030 (Helm). We are unable to predict whether the off-take agreements will be renewed and whether our Offtakers will enter into negotiations with us in the future and, if negotiations are undertaken, whether we will be able to reach an agreement on capacity, pricing and any other terms. We are exposed to the risk that our Offtakers insist on agreement conditions unfavorable to our business or that our Offtakers will terminate the existing business relationship. Any changes to one or multiple sales agreements could have an adverse impact on our financial condition, cash flows and results of operations and consequently on the ability to meet our financial obligations.

Our business could be adversely affected by a strike or other labor disruption at the facilities.

We believe that our ability to remain competitive and implement our strategy for growth and future success depends on good relations with our workforce and the workforce of our contractors. Our ability to implement measures to reduce costs and improve production efficiencies in furtherance of our strategy could be impaired by any strikes, threats of strikes or other resistance or work stoppages in the future, particularly those affecting our facilities in Point Lisas, Trinidad and Pampa, Texas. We cannot guarantee that no work stoppage, strikes or other

labor disruptions will occur in the future and if they do, they could each have a material adverse effect on our business, results of operations, financial condition and prospects and consequently on the ability to meet our financial obligations, including under the Notes.

We may be unable to attract and retain or be exposed to the loss of highly qualified employees.

We believe that our growth and future success depend in large part on the skills of our executive and other senior officers, as well as our highly qualified employees in all the locations it carries out operations. The loss of the services of one or more of these employees could impair our ability to continue to implement our business strategy. Our executive and other senior officers have substantial experience with our operations and have contributed significantly to our growth. If we lose the services of one or more of them, he or she may be difficult to replace and our business could be materially and adversely affected.

Our success also depends, in part, on our continued ability to attract and retain experienced and qualified employees through our operations provider IPSL in Trinidad and at our specialized operations at Pampa Fuels and Natgas in the United States. Our Pampa Fuels and Natgas workforces are recruited locally directly by Pampa Fuels and Natgas. Our entire operations workforce in Trinidad is recruited by IPSL and our operations require that IPSL is able to hire qualified employees. The competition for such employees is intense and our inability or the inability of IPSL to continue to attract, retain and motivate employees could adversely affect our business, results of operations, financial condition and prospects and consequently on the ability to meet our financial obligations.

Our operations depend in large part on transactions with affiliated persons.

In the conduct of our operations, we rely to a substantial degree on business arrangements with related parties. Our indirect shareholders, Proman and Helm, have been actively engaged in nearly all aspects of our business since our inception. For example, Proman has designed and built our facilities and, through its subsidiary IPSL, our operations provider that retains exclusive responsibility for the recruitment of our entire operations workforce in Trinidad, is fully responsible for the management, operations and maintenance of our Trinidad facilities on a day-to-day basis. Helm acts as our distributor and, along with its connection to SCC in which both Helm and Proman hold significant strategic stakes, is essential to our access to a large number of end-customers throughout the United States, Europe and Asia. We have also entered into several long-term sales agreements with Helm, N2000 and SCC for the direct off-take of all of our maximum production capacities. These agreements provide that Helm takes off methanol, melamine and UAN on a take-or-pay basis with flexible pricing, up to approximately the total annual maximum production capacity of each plant. In the twelve months ended March 31, 2017, with the exception of methanol from our Pampa facility sold to SCC, we sold nearly all of our production of methanol, melamine and UAN to Helm under these arrangements.

While we believe these agreements to be entered into and consummated on an arm’s length basis, we cannot guarantee that parties in interest will not challenge this. As such, we may be unable to enter into agreements that are integral to our operations on terms as favorable as our current arrangements. This may have a material effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Some of the agreements we enter into may prove unprofitable over the lives of such agreements.

We enter into agreements with various parties in the course of our business operations and there can be no guarantee that the agreements we enter into will be profitable over the lives of such agreements. For example, we, through Helm and SCC, entered into a ten-year contract with Celanese which expired in 2015. This contract included a ceiling price for methanol, which was exceeded by market prices for methanol during the life of the contract. Even though we have not entered into agreements with price ceilings since then, we cannot guarantee that in the future other agreements we enter into may not also prove to be disadvantageous to our business. Such agreements may not only lower our income but also bear the risk that we may have to sell products that we would otherwise discontinue. The costs incurred in fulfilling some of these sales agreements may vary substantially from our initial cost estimates and any related losses could adversely affect our results of operations and consequently our ability to meet our financial obligations.

Disruptions in our supply and delivery logistics chain could adversely affect us.

A disruption in our supply and delivery logistics chain caused by transportation disruptions, maintenance, delays, increased expenses, labor strikes or other unforeseen events could adversely affect our ability to produce our products in sufficient quantities. If we cannot secure alternative sources of supply, means of delivery or effectively manage a disruption if it occurs, revenues could be reduced until we are able to address the situation and we would be unlikely to recoup such losses. These events could cause our revenues to decline, require additional resources to restore our supply and delivery logistics chain or otherwise adversely affect our business, financial condition and results of operations.

The majority of our production facilities are located on an island and we are almost exclusively dependent on our ability to use shipping vessels to distribute our products to non-domestic end-customers. Competitors with facilities on the mainland often also have access to pipelines that can reach many of their end-customers in most instances. Should the seaports we use or any of our contracted vessels be damaged or destroyed, we would be unable to distribute some or all of our products produced. Furthermore, any interference with our ability to ship our products, whether for political, natural or other reasons, may have a severe impact on our ability to satisfy our delivery obligations to our end-customers. This includes the availability and functionality of the piers and marine facilities at Point Lisas, Trinidad, which are used for docking and loading of our vessels. Any destruction of the piers could delay the transportation timelines. The pier use agreements generally have terms of 15 years with the option to extend the agreements for an additional five years. These agreements do not expire prior to 2022 if the contracts are extended for the additional five years. If we are unable to extend the agreement, this would materially affect our business, results of operations and our ability to meet our financial obligations. In some instances it may also be necessary to import raw materials for our production processes, which in our case would also depend on the functioning access to international shipping routes. In the event of damage to, or complete loss of, a vessel for any reason, the disruption of our supply chain may cause a temporary business interruption. Should we, for any reason, be unable to connect our facilities with our end-customers and suppliers, this would materially affect our business, results of operations and our financial condition and consequently the ability to meet our financial obligations.

Our business is exposed to risks associated with the creditworthiness of our suppliers, customers and business partners and the industries in which our suppliers, customers and business partners participate are cyclical in nature, both of which may adversely affect our business and results of operations.

Some of the industries in which our end-customers participate, such as the petrochemical industry, are highly competitive, to a large extent driven by end-use applications and may experience overcapacity, all of which may affect demand for and pricing of our products. Our business is exposed to risks associated with the creditworthiness of our key suppliers, customers and business partners and reductions in demand for our end-customers' products. These risks include the interruption of production at the facilities of our customers, the reduction, delay or cancellation of end-customer orders, delays in or the inability of end-customers to obtain financing to purchase our products, delays in or interruptions of the supply of raw materials we purchase and bankruptcy of end-customers, suppliers or other creditors. In addition, many of these industries are cyclical in nature, thus posing risks to us that vary throughout the year. The occurrence of any of these events may adversely affect our cash flow, profitability and financial condition.

Most of our end-customers are large global or regional petrochemical manufacturers or distributors and a number are highly leveraged. We monitor our end-customers' financial status closely; however, some end-customers may not have the financial ability to pay for our products in the future and this could have an adverse impact on our results of operations and financial condition.

Our current production facilities are located in a small number of geographical locations, the Point Lisas Industrial Estate, Trinidad and Pampa, Texas, which makes us vulnerable to risks associated with operating in a limited geographic area.

The geographic concentration of our production facilities in only two geographic locations means that we may be disproportionately exposed to disruptions in our operations if the region experiences severe weather, transportation capacity constraints, constraints on the availability of required equipment, facilities, personnel or services, significant governmental regulation or natural or manmade disasters. Any disruption by whichever cause that affects the area in which our main operations are located may have a material adverse impact on our business and may bring our entire production to a halt for longer periods of times. This may have a material effect on our results of operations, liquidity and financial condition and consequently on the ability to meet our financial obligations.

We may be subject to information technology systems failures, network disruptions and breaches of data security.

Information technology systems failures, including risks associated with upgrading our systems, network disruptions, cyber-attacks, unintentional disruption on the IT systems and breaches of data security could disrupt our operations by impeding our operational efficiencies, delaying processing of transactions and inhibiting our ability to protect end-customer or internal information. Our computer systems, including our back-up systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, internal or external security breaches, events such as fires, earthquakes, floods, tornadoes and hurricanes and/or errors by our employees. Although we have taken steps to address these concerns by implementing sophisticated network security, back-up systems and internal control measures, there can be no assurance that a system failure

or data security breach will not have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Our production processes and some of our products are extremely hazardous and we are potentially exposed to any liability for fines, clean-ups and damages for accidents involving such products and processes.

The products and intermediates we manufacture, process, store, handle and distribute are extremely hazardous. Major accidents or releases of certain chemicals could cause severe damage or injury to property, the environment and human health, as well as a possible disruption of supplies and markets. Such an event could result in civil lawsuits, fines, penalties and regulatory enforcement proceedings, all of which could lead to significant liabilities, unforeseen costs or harm to reputation. Furthermore, the production of methanol involves highly complex and costly equipment handling highly flammable material and operating at high temperatures, pressures and speeds, resulting in a potential for accidents with severe consequences. Any damage to persons, equipment or property or other disruption of our ability to produce or distribute our products could result in a significant decrease in operating revenues and significant additional cost to replace or repair and insure our assets, which could have a material adverse effect on our results of operations and financial condition and consequently on the ability to meet our financial obligations.

In addition, we may incur significant losses or costs relating to the operation of vessels used for the purpose of transporting our products. Due to the dangerous and potentially toxic nature of the cargo, a vessel accident may result in fires, explosions and pollution. These circumstances may result in sudden, severe damage or injury to property, the environment and human health. In the event of pollution, we may be held responsible even if we are not at fault and complied with the laws and regulations in effect at the time of the accident. Litigation arising from accidents involving our products may result in us being named as a defendant in lawsuits asserting claims for large amounts of damages, which could have a material adverse effect on our reputation and therefore on our results of operations and financial condition and consequently on the ability to meet our financial obligations.

Furthermore, we may be subject to significant claims or obligations relating to our storage facilities in Trinidad, the United States, Canada, Brazil, Spain, the Netherlands, Germany, Belgium and France. An accident or the release of our products could cause severe damage or injury to property, the environment and human health, as well as a possible disruption of supplies and markets in these locations. Such an event could also result in civil lawsuits, fines, penalties, regulatory enforcement proceedings or costs for investigation or remediation of contamination. Any damage caused by or in relation to our storage facilities may lead to significant expenses, not all of which may be covered by insurance.

Environmental laws and regulations could require us to make substantial capital expenditures to remain in compliance or to remediate current or future contamination that could give rise to material liabilities.

Our operations and facilities are subject to a variety of environmental laws and regulations relating to the protection of the environment, including those governing the emission or discharge of pollutants into the environment, product specifications and the generation, treatment, storage, transportation, disposal and remediation of solid and hazardous waste and other regulated materials. Violations of these laws or regulations or permit conditions could result in substantial fines or penalties, injunctive orders compelling installation of additional controls, civil and criminal sanctions, permit revocations or facility shutdowns.

In addition, new environmental laws and regulations, new interpretations of existing laws and regulations, increased governmental enforcement of laws and regulations or other developments could require us to make additional unforeseen expenditures. Many of these laws and regulations are becoming increasingly stringent and the cost of compliance with these requirements can be expected to increase over time. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. These expenditures or costs for environmental compliance could have a material adverse effect on our results of operations and financial condition.

There are environmental risks inherent to the generation of chemicals, and accordingly, we may become subject to claims and lawsuits for damages arising from our operations.

Our business is subject to accidental spills, discharges or other releases of regulated substances into the environment. Past or future spills related to our facilities or transportation of products or regulated substances from our facilities may give rise to liability (including strict liability, or liability without fault and potential clean-up responsibility) to governmental entities or private parties. The potential penalties and clean-up costs for past or future releases or spills, liability to third parties for damage to their property or exposure to regulated substances, or the need to address newly discovered information or conditions that may require response actions could be significant and could have a material adverse effect on our results of operations and financial condition.

In addition, we may incur liability for alleged personal injury or property damage due to exposure to chemicals or other regulated substances located at or released from our facilities. We may also face liability for personal injury, property damage, natural resource damage or for clean-up costs for the alleged migration of contamination or other regulated substances from our facilities to adjacent and other nearby properties.

We may incur future costs relating to the off-site disposal of regulated wastes. Companies that dispose of, or arrange for the transportation or disposal of, regulated substances at off-site locations may be held jointly and severally liable for the costs of investigation and remediation of contamination at those off-site locations, regardless of fault. We could become involved in litigation or other proceedings involving off-site waste disposal and the damages or costs in any such proceedings could be material.

Our facilities operate under a number of lease agreements, government permits, licenses and approvals and failure to comply with or obtain necessary leases, permits, licenses and approvals may result in unanticipated costs or liabilities, which could reduce our profitability.

Our facilities operate under a number of permits, licenses and approvals, such as our general operating licenses and certificates of environmental clearance, which contain a significant number of prescriptive limits and performance standards in order to operate, such as obligations to not exceed certain noise or air pollution levels. Our facilities are also required to comply with other prescriptive limits and meet performance standards specific to chemical facilities as well as to general manufacturing facilities. All of these permits, licenses, approvals and standards require a significant amount of monitoring, record keeping and reporting in order to demonstrate compliance with the underlying permit, license, approval or standard. Incomplete documentation of compliance status may result in the imposition of fines, penalties and injunctive relief. Additionally, due to the nature of our manufacturing processes, there may be times when we are unable to meet the standards and terms and conditions of these permits and licenses due to operational upsets or malfunctions, which may lead to violations or enforcement from regulatory agencies that could potentially result in operating restrictions. This would have a direct material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

We and our predecessors have entered into multiple land lease agreements for the land on which our production facilities are located. Most of these agreements are for original terms of 30 years with the option to renew the land lease agreements for an additional 30 years. Except for one land lease agreement, none of the land lease agreements are set to expire until at least 2030. One land lease agreement is set to expire in 2019 and relates to the land on which our CMC facility is built. The inability to secure a renewal of this lease before it expires would have a material adverse effect on our business, financial condition and results of operations.

We hold numerous environmental and other governmental permits and approvals authorizing operations at our plants. A denial of or delay in issuing, renewing or amending a material permit could have an adverse impact on our results of operations and financial condition because of an inability to operate our facilities in accordance with our business plan.

Any expansion of our operations is also predicated upon securing the necessary environmental or other permits or approvals, including necessary amendments to current permits to account for increased output. In some cases, such permits must be issued prior to the commencement of a project. A decision by a government agency to deny or delay issuing a new or renewed material permit or approval, or to revoke or substantially modify an existing permit or approval, could have a material adverse effect on our ability to continue operations or our ability to commence and complete expansion projects.

Climate change laws and regulations could have a material adverse effect on our business.

The implementation of new regulations and/or the passage of climate change legislation may result in increased costs to (i) operate and maintain our facilities, (ii) install new emission controls on our facilities and (iii) administer and manage any greenhouse gas emissions program. Increased costs associated with compliance with any future legislation or regulation of greenhouse gas emissions, if it occurs, may have a material adverse effect on our results of operations and financial condition and consequently on the ability to meet our financial obligations.

In addition, climate change legislation and regulations may result in increased costs not only for our business but also for agricultural producers that utilize our fertilizer products, thereby potentially decreasing demand for our fertilizer products. Decreased demand for our fertilizer products may have a material adverse effect on our results of operations and financial condition and consequently on the ability to meet our financial obligations.

New regulations and industry standards concerning the transportation of hazardous chemicals and the security of chemical manufacturing facilities could result in higher operating costs.

New regulations impacting the security of chemical plant locations and the transportation of hazardous chemicals may be introduced. For example, in response to the terrorist attacks on September 11, 2001, new

initiatives relating to the security of chemical industry facilities and the transportation and storage of hazardous chemicals in the United States were launched, relevant mostly to our storage facilities located in the United States (including the storage facilities used by the Natgas Facility upon completion). Future terrorist attacks could lead to even stronger, more costly initiatives in the United States and beyond. Furthermore, the regulatory regime in Trinidad is less established than in the United States and the European Union and, as a result, our operations could be subject to unexpected political, economic or legal developments that may lead to increased or more onerous regulations. This could materially adversely affect our business and increase our costs for compliance with such new regulations or industry standards. The costs of complying with regulations relating to the transportation of hazardous chemicals and security associated with our facilities may have an adverse effect on our business, financial condition and results of operations and consequently on our ability to meet our financial obligations.

We are subject to strict laws and regulations regarding employee and process safety and may fail to comply with these laws.

Our facilities are subject to the requirements of statutes that regulate the protection of the health and safety of workers. Failure to comply with some of these requirements, including, but not limited to, the Occupational Safety and Health Act, general industry standards, record keeping requirements, IPSL's Risk Control Manual and monitoring and control of occupational exposure to regulated substances, may not only lead to injuries and harm to employees but also to fines or shut-downs of our plants. We cannot guarantee that we will always be able to fully comply with these or other requirements, laws and safety manuals and noncompliance could have a material adverse effect on our results of operations and financial condition if we are subjected to significant fines or compliance costs.

We are subject to taxes, duties and taxation systems that are subject to change and new taxes or levies may be introduced or existing ones may increase at any time.

The legal and fiscal framework in the U.S., Trinidad, Barbados, Switzerland and elsewhere may change at any time. There can be no assurance that current tax and duty rates relating to our production, procurement, transportation, labor, sales, revenues, etc., will not change or increase. Furthermore, we cannot assure you that no additional taxes or customs levies will be introduced. Especially in Trinidad, any additional or higher taxes may have a material adverse effect on our business, as we are exposed to a single location tax risk. Should additional or higher taxes or duties apply to us directly or indirectly, this may materially impact our business, financial condition and results of operations. In addition, if higher taxes or duties result in a price increase to our end-customers, we may be placed at a disadvantage to our competitors, which may materially impact our ability to compete in the industry. This may have a material effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Our operations are subject to the general risks of litigation and tax proceedings.

We are involved, on an ongoing basis, in litigation arising in the ordinary course of business or otherwise. Litigation may include claims related to commercial, labor, employment, antitrust, securities or environmental matters. Moreover, the process of litigating cases, even if we are successful, may be costly and may approximate the cost of damages sought. These actions could also expose us to adverse publicity, which might adversely affect our reputation. Litigation trends and expenses and the outcome of any litigation proceeding cannot be predicted with certainty and adverse litigation trends, expenses and outcomes could adversely affect our financial results.

In addition, we are subject to regular tax audits, which may result in claims for significant additional taxes, interest and penalties. For example, the most recent year audited, for which tax assessments have been received at MHTL, is 2010, with 1993 being the earliest year audited with open unresolved tax issues. We have contested and filed objections to the additional assessments where not considered valid or without legal basis. While some issues have been settled, concluded or withdrawn, many of the audit issues have remained unresolved. There can be no certainty that we will be successful in refuting the current or any further tax assessment and payment claims. If we are unsuccessful in refuting tax assessments and payment claims, this may have a material impact on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Contractual Obligation".

With respect to one such assessment in particular, while we believe the position of the Board of Inland Revenue to be without merit, if we were found liable for the entire amount of such assessment asserted against us, our liability may exceed our available cash on hand at such time, in which case we would need to secure other sources of funds which may include, without limitation, the incurrence of indebtedness, in order to satisfy our tax obligations. There can be no assurances that we would be able to secure such funding and any such failure may result in an event of default under the terms of our indebtedness.

Any expansion of existing assets and construction of new assets may not result in revenue increases and will be subject to regulatory, environmental, political, legal and economic risks.

In order to optimize our existing asset base, we may evaluate and capitalize on organic opportunities for expansion projects in order to increase revenue. The expansion of production capacity, or the construction of new assets, involves numerous regulatory, environmental, political and legal uncertainties, most of which are beyond our control. These risks include:

- changes to plans and specifications;
- engineering problems, including defective plans and specifications;
- shortages of, and price increases in, energy, raw materials and skilled and unskilled labor;
- inflation in key supply markets;
- changes in laws and regulations, or in the interpretations and enforcement of laws and regulations, applicable to constructions projects;
- poor workmanship, labor disputes or work stoppages;
- failure by subcontractors to comply with applicable laws and regulations;
- injuries sustained by workers or patrons on the job site;
- disputes with and defaults by contractors and subcontractors;
- claims asserted against us for construction defects, personal injury or property damage;
- environmental issues, risks, liabilities and related unforeseen costs;
- health and safety incidents and site accidents;
- weather interferences or delays;
- fires and other natural disasters; and
- other unanticipated circumstances or cost increases.

If we undertake any expansion projects, they may not be completed on schedule or at all or at the budgeted cost. If the actual cost to complete capital projects is greater than the budgeted cost, we would be required to use our cash flow from operations or seek additional sources of financing to complete those projects. We may not have sufficient cash flow from operations, or additional sources of financing may not be available on commercially reasonable terms or at all. Using cash flow from operations or incurring debt to fund expansion projects (and paying the interest related to such incremental debt) could have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Differences in views with our joint venture participants may cause our joint ventures not to operate according to their business plans, which may adversely affect our results of operations.

We currently participate in a number of joint ventures (including CNC, N2000 and OMC) which are accounted for as "Associates". We may enter into additional joint ventures in the future. The nature of a joint venture requires us to share control with unaffiliated third parties. Differences in views among joint venture participants may result in delayed decisions or failure to agree on major decisions. If these differences cause the joint ventures to deviate from their business plans or to fail to achieve their desired operating performance, our results of operations could be adversely affected.

The laws of Trinidad 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 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. CEL (Barbados) and MHTL's businesses are 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 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.

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, regulation 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.

Estimates of Trinidad's natural gas and oil reserves are uncertain.

Trinidad 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 to market. All of these factors and assumptions may vary. Audits are 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 could adversely affect the Trinidad'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 investments in Trinidad in 2015 and 2016.

Recession or low growth in the Trinidad's main trading partners will eventually lead to lower exports. The combination of these factors has adversely affected Trinidad's public finances. Instability or volatility in the international financial markets has led to domestic volatility, making it more difficult for CEL to achieve its macroeconomic goals. Domestic volatility could also lead to declines in foreign investment in Trinidad. Adverse domestic factors, such as inflation, high interest rates and exchange rate volatility could lead to lower growth in Trinidad. There can be no assurance that Trinidad will not experience economic problems in the future, including as a result of a global economic crisis, which would have a material adverse effect on its financial condition and its ability to make payments on its debt obligations.

Risks Related to Our Capital Structure

We may not have sufficient cash available to service our indebtedness on time.

We may not have sufficient cash available for distribution to enable us to service our debt on time. The amount of cash available with which we will be able to service our debt principally depends on the amount of cash we generate from our operations, which is directly dependent upon the operating margins we generate. Our profit margins are significantly affected by the level of our cost of goods sold (exclusive of depreciation), including the cost of natural gas, our main raw material, as well as the costs of hydrogen and nitrogen and other costs, the market-driven prices for our products we are able to charge our end-customers, seasonality, weather conditions, governmental regulation and global and domestic economic conditions and demand for our products, among other factors. In addition, our business, financial condition and results of operations and consequently our ability to meet our financial obligations are affected by:

- the level of capital expenditures we make;
- our overall debt service requirements;
- fluctuations in our working capital needs;
- our ability to access the capital markets;
- planned and unplanned maintenance at our facilities, which may result in downtime and thus negatively impact our cash flows in the quarter in which such maintenance occurs;
- fluctuations in interest rates;
- the level of competition in our market and industry;
- restrictions on distributions of subsidiaries and on our ability to make working capital borrowings; and
- the amount of cash reserves, including for turnarounds and related expenses.

We are exposed to risks of continued credit and liquidity disruptions in the global financial system.

As the global financial system has experienced significant credit and liquidity disruptions in recent years, leading to a reduction in liquidity, greater volatility, general widening of credit spreads and, in some cases, lack

of transparency in money and capital markets, many lenders have reduced or ceased to provide funding to borrowers. If these conditions continued or worsened, it could negatively affect our ability to raise funding in the debt capital markets and access bank lending markets on financial terms acceptable to us or at all. As a result, our financial condition may be adversely impacted and costs of financing may significantly increase, which could have a material adverse effect on our business, financial condition and results of operations and consequently on the ability to meet our financial obligations.

Risks Related to Our Indebtedness

We have substantial debt and may incur substantial additional debt that could adversely affect our financial condition or make us more vulnerable to adverse economic conditions.

As of March 31, 2017 on an as adjusted basis, we would have had approximately US$2,384.9 million aggregate principal of indebtedness outstanding, including approximately US$800.5 million of secured indebtedness outstanding (consisting of the MHTL Initial Term Loan, the MHTL Revolving Credit Facility and the Tax-Exempt Bonds).

Our level of indebtedness could have significant effects on our business, financial condition, results of operations and cash flows and, therefore, important consequences to your investment in our securities, such as:

- we may be limited in our ability to obtain additional financing to fund our working capital needs, capital expenditures and debt service requirements or our other operational needs;
- we may be limited in our ability to use operating cash flow in other areas of our business because we must dedicate a substantial portion of these funds to make principal and interest payments on our debt;
- we may be at a competitive disadvantage compared to competitors with less leverage since we may be less capable of responding to adverse economic and industry conditions;
- we may not have sufficient flexibility to react to adverse changes in the economy, our business or the industries in which we operate; and
- to the extent that we are unable to refinance our debt at maturity on favorable terms, or at all, our ability to fund our operations could be adversely affected.

Despite our current level of indebtedness, we may still be able to incur substantially more debt in the future, which may make it difficult for us to service our debt and impair our ability to operate our businesses.

We may incur substantial additional debt in the future. Borrowings under other debt instruments that contain cross acceleration or cross default provisions may as a result also be accelerated and become due and payable. The incurrence of additional debt would increase the leverage related risks described in this Company Report.

Our ability to service our indebtedness will depend on our ability to generate cash in the future.

Our ability to make payments on our indebtedness will depend on our ability to generate cash in the future. Our ability to generate cash is subject to general economic and market conditions and financial, competitive, legislative, regulatory and other factors that are beyond our control. We cannot assure you that our business will generate sufficient cash to fund our working capital requirements, capital expenditure, debt service and other liquidity needs, which could result in our inability to comply with financial and other covenants contained in our debt agreements, our being unable to repay or pay interest on our indebtedness and our inability to fund our other liquidity needs. If we are unable to service our debt obligations, fund our other liquidity needs and maintain compliance with our financial and other covenants, we could be forced to curtail our operations, our creditors could accelerate our indebtedness and exercise other remedies and we could be required to pursue one or more alternative strategies, such as selling assets or refinancing or restructuring our indebtedness. However, we cannot assure you that any such alternatives would be feasible or prove adequate.

We are subject to significant restrictive debt covenants, which limit our operating flexibility and, if we default under our debt covenants, we will not be able to meet our payment obligations.

In each case subject to certain exceptions, our other financing arrangements, such as the indentures governing the Existing Notes, the MHTL Initial Term Loan, MHTL Revolving Credit Facility and the indenture governing the Tax-Exempt Bonds described under "Description of Other Indebtedness", contain covenants which may impose significant restrictions on the way we can operate, including restrictions on our ability to:

- incur or guarantee additional debt and issue preferred stock;
- make loans or extend credit;
- make certain payments, including dividends or other distributions and repayment or redemption of share capital;

- make certain investments or acquisitions, including participating in joint ventures;
- prepay or redeem subordinated debt;
- engage in certain transactions with affiliated persons;
- create unrestricted subsidiaries;
- enter into arrangements that restrict payments of dividends to us;
- sell assets, consolidate or merge with or into other companies, change our legal form, enter into corporate reconstruction;
- sell or transfer all or substantially all of our assets or those of our subsidiaries on a consolidated basis;
- issue or sell share capital; and
- create or incur certain liens.

In addition, our future credit agreements may include similar or additional restrictive covenants or require that we maintain other specific financial covenants. These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. Our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under our other financing arrangements referred to under "*Description of Other Indebtedness*" and trigger cross-defaults between any financing investments. If any other material financing arrangement that we enter into were to be accelerated, our assets may be insufficient to repay our other debt.

SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The following tables present selected consolidated financial and other information of CEL, OPAG and CEL (Barbados) derived from the unaudited CEL Interim Condensed Consolidated Financial Statements, the audited CEL 2016 Consolidated Financial Statements, the audited OPAG 2015 Consolidated Financial Statements and the audited CEL (Barbados) 2014 Consolidated Financial Statements, respectively.

The historical consolidated financial information for the fiscal year ended December 31, 2014 as presented below is derived from the audited CEL (Barbados) 2014 Consolidated Financial Statements, which have been prepared in accordance with IFRS as issued by IASB and are included elsewhere in this Company Report.

The historical consolidated financial information for the fiscal year ended December 31, 2015 as presented below is derived from the audited OPAG 2015 Consolidated Financial Statements, which have been prepared in accordance with IFRS as issued by IASB and are included elsewhere in this Company Report.

Certain reclassifications have been made to the OPAG 2015 Consolidated Financial Statements, when presented on a comparatives basis with CEL 2016 Consolidated Financial information in this Company Report, to conform with CEL 2016 presentation.

The historical consolidated financial information for the fiscal year ended December 31, 2016 as presented below is derived from the audited CEL 2016 Consolidated Financial Statements, which have been prepared in accordance with IFRS as issued by IASB and are included elsewhere in this Company Report.

The unaudited consolidated interim financial information as of and for the three months ended March 31, 2016 and 2017 is derived from the unaudited CEL Interim Condensed Consolidated Financial Statements, which have been prepared in accordance with IAS 34 and are included elsewhere in this Company Report. Financial information as of and for the three months ended March 31, 2016 are those of OPAG and it consolidated subsidiaries and CEL's financial information as of for the three months ended March 31, 2017 represents a continuation of OPAG's financial information. The financial results for the three months ended March 31, 2017 may not be indicative of CEL's results for the full fiscal year.

	Fiscal Years Ended December 31,		Three Months Ended March 31,		Twelve Months Ended March 31,
	2015	**2016**	**2016**	**2017**	**2017**
	(audited)		*(unaudited)*		*(unaudited)*
			(US$ in thousands)		
Consolidated Statement of Comprehensive Income/ (Loss)					
Net Sales	**1,188,879**	**711,592**	**225,800**	**294,336**	**780,128**
Other income	14,905	23,983	23	6,824	30,784
Purchase of materials, goods and services	(749,598)	(363,380)	(156,444)	(207,531)	(414,467)
Change in finished goods	(13,756)	(16,591)	3,358	4,125	(15,824)
Employee benefits expense	(2,225)	(8,878)	(470)	(2,590)	(10,998)
Other operating expense	(97,765)	(141,950)	(24,496)	(32,597)	(150,051)
Share of profit from associates	39,821	10,517	3,140	7,943	15,320
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**380,261**	**215,293**	**50,911**	**70,510**	**234,892**
Depreciation, amortization and impairment	(189,760)	(202,990)	(48,086)	(53,994)	(208,898)
Earnings before interest and taxes (EBIT)	190,501	12,303	**2,825**	**16,516**	**25,994**
Financial income	1,763	2,370	883	1,348	2,835
Financial expense	(123,181)	(134,130)	(30,086)	(36,122)	(140,166)
Financial result, net	**(121,418)**	**(131,760)**	**(29,203)**	**(34,774)**	**(137,331)**
Profit (loss) before taxes (EBT)	69,083	(119,457)	**(26,378)**	**(18,258)**	**(111,337)**
Income Tax	(43,125)	(24,266)	(8,730)	(4,114)	(19,650)
Net profit (loss) for the period	**25,958**	**(143,723)**	**(35,108)**	**(22,372)**	**(130,987)**
Net profit (loss) attributable to					
Equity holders of the parent	19,422	(127,126)	(26,330)	(18,552)	(119,348)
Non-controlling interests	6,536	(16,597)	(8,778)	(3,820)	(11,639)

	Fiscal Years Ended December 31,	
	2014[1]	2015
	(audited) (US$ in thousands)	

Consolidated Statement of Comprehensive Income

	2014[1]	2015
Revenue	358,594	1,294,202
Cost of sales	(327,057)	(1,064,135)
Gross profit	31,537	230,067
Other income	269,735	14,905
Other expenses	(13,645)	(72,072)
General and administrative	*(13,268)*	*(71,330)*
Marketing	*(377)*	*(742)*
Operating profit	287,627	172,900
Finance costs	(25,746)	(143,638)
Share of results of associates	106,096	39,821
Profit before taxation	367,977	69,083
Taxation charge	636	(43,125)
Profit for the year	368,613	25,958
Other comprehensive income/(loss)	747	(904)
Total comprehensive income	**369,360**	**25,054**

(1) The 2014 financial information is as shown in the CEL (Barbados) 2014 Consolidated Financial Statements and does not contain certain adjustments resulting from the final recognition of purchase accounting related to the MHTL Acquisition. These adjustments may be found in the "Unaudited *Pro Forma* Condensed Combined Financial Information" section.

Consolidated Statement of Cash Flows

	Three Months Ended March 31,	
	2016	2017
	(unaudited) *(US$ in thousands)*	
Cash flow from operating activities		
Loss before taxes	**(26,378)**	**(18,258)**
Adjustments for:		
Depreciation, amortization and impairment	48,086	53,994
Change in provisions	2,410	2,659
Share of results of associates	(3,140)	(7,943)
Interest expense, net	24,325	29,953
Interest income, net	(348)	(48)
Fair value change of derivatives	-	2,944
Loss on disposal of property, plant and equipment	-	1,195
Stock-based compensation expense	-	38
Other non-cash items	3,311	13,746
Working capital adjustments:		
Trade and other receivables	43,138	(117,587)
Inventories	(13,921)	(656)
Trade and other payables	302	46,434
Income tax paid	(1,328)	(1,321)
Net cash flow from operating activities	**76,457**	**5,150**
Cash flow from investing activities		
Purchase of property, plant and equipment	(29,474)	(105,062)
Loan to related party	(8,850)	-
Purchase of marketable securities	-	(82,985)
Dividends received	4,054	-
Increase investments in associated companies	-	1,283
Change in restricted cash	-	(16,664)
Interest received	-	134
Net cash flow used in investing activities	**(34,270)**	**(203,294)**
Cash flow from financing activities		
Repayment of other borrowings	(725)	(1,784)
Interest paid	(5,869)	(8,858)
Net cash flow used in financing activities	**(6,594)**	**(10,642)**
Net change in cash and cash equivalents	**35,593**	**(208,786)**
Cash and cash equivalents at beginning of period	213,920	258,012
Cash and cash equivalents at end of period	249,513	49,226
Net change	**35,593**	**(208,786)**

Consolidated Statement of Cash Flows

	Fiscal Years Ended December 31,	
	2015	2016
	(audited) (US$ in thousands)	
Cash flow from operating activities		
Profit/(loss) before taxes	**69,083**	**(119,457)**
Adjustments for:		
Depreciation and amortization	126,329	202,990
Impairment of goodwill	63,431	-
Interest expense	115,392	116,319
Interest income on loans	(215)	(1,074)
Share of results of associates	(39,821)	(10,517)
Fair value change of derivatives	-	2,247
Loss on disposal of property, plant and equipment	-	16,759
Stock-based compensation	-	383
Movements in provisions and pensions	3,822	(3,659)
Other non-cash items	-	11,744
Working capital adjustments:		
Inventories	17,909	(3,518)
Trade and other receivables	54,706	126,585
Trade and other payables	(4,808)	(104,070)
Income tax paid	(53,936)	(14,560)
Net cash flow from operating activities	**351,892**	**220,172**
Cash flow from investing activities		
Purchase of property, plant & equipment	(47,590)	(492,835)
Dividends from associated companies	60,740	18,143
Interest Received	-	1,271
Acquisition of subsidiary, net of cash acquired	-	50,372
Purchase of marketable securities	-	(29,015)
Change in restricted cash	-	(28,334)
Net cash flow from/(used in) investing activities	**13,150**	**(480,398)**
Cash flow from financing activities		
Proceeds from borrowings	650,000	242,034
Loans to/from related party	(111,000)	107,000
Transaction costs on issuance of long term loans	(16,273)	(344)
Repayment of other borrowings	(914,373)	(181,670)
Acquisition of non-controlling interests	-	(3,400)
Interest paid	(105,830)	(109,302)
Dividends paid	(400)	-
Capital increase	-	250,000
Net cash flow from/(used in) financing activities	**(497,876)**	**304,318**
Net change in cash and cash equivalents	**(132,834)**	**44,092**
Cash and cash equivalents at beginning of period	346,754	213,920
Cash and cash equivalents at end of year	213,920	258,012
Net change	**(132,834)**	**44,092**

Certain reclassifications have been made to the OPAG 2015 Consolidated Financial Statements, when presented on a comparatives basis with CEL 2016 Consolidated Financial information in this Company Report, to conform with CEL 2016 presentation.

Consolidated Statement of Cash Flows

	Fiscal Years Ended December 31,	
	2014[(1)]	2015
	(audited) (US$ in thousands)	
Operating activities		
Profit before taxation	367,977	69,083
Adjustments for:		
Depreciation and amortization	28,477	126,329
Impairment of goodwill	-	63,431
Loan interest expense	24,537	114,399
Net pension cost	(668)	(631)
Exchange difference on pension asset	-	105
Provisions: unwinding of discount	1,309	4,348
Gain on re-measurement of previously held interest	(268,939)	-
Amortization of transaction costs	-	993
Share of results of associates	(106,096)	(39,821)
	46,597	338,236
Net changes in working capital		
Decrease in inventories	632	17,909
Decrease in trade and other receivables	35,014	54,491
Increase/(decrease) in trade and other payables	589	(4,808)
	82,832	405,828
Net taxation paid	(14,836)	(53,936)
Net cash flow from operating activities	67,996	351,892
Investing activities		
Purchase of property, plant and equipment	(12,538)	(47,590)
Acquisition of subsidiary, net of cash acquired	(849,905)	-
Dividends received	62,297	60,740
Loan to related party	-	(111,000)
Net cash (outflow)/inflow from investing activities	(800,146)	(97,850)
Financing activities		
Proceeds from long term loans	-	650,000
Transaction costs on long term loans	-	(16,101)
Proceeds from issuance of notes	1,239,500	-
Transaction costs on issuance of notes	(48,515)	(172)
Repayment of other borrowings	(104,259)	(914,373)
Loan interest paid	(8,499)	(105,830)
Dividends paid	-	(400)
Net cash (outflow)/inflow from financing activities	1,078,227	(386,876)
Net increase/(decrease) in cash and cash equivalents	346,077	(132,834)
Cash and cash equivalents—beginning of year	92	346,754
Cash and cash equivalents—end of year	346,169	213,920

(1) The 2014 financial information is as shown in the CEL (Barbados) 2014 Consolidated Financial Statements and does not contain certain adjustments resulting from the final recognition of purchase accounting related to the MHTL Acquisition. These adjustments may be found in the "Unaudited *Pro Forma* Condensed Combined Financial Information" section.

	As of December 31,		As of March 31,
	2015	2016	2017
	(audited)		(unaudited)
	(US$ in thousands)		
Balance Sheet (at period end)			
Assets			
Non-current assets			
Property, plant and equipment	2,007,968	3,566,407	3,609,524
Intangible assets	577,194	569,019	565,723
Investment property	-	46,348	46,348
Investment in associates	464,847	457,222	463,883
Non-financial assets	-	3,972	1,511
Net employee defined benefit assets	11,853	11,398	11,398
Deferred tax assets	133,274	102,550	89,391
Total non-current assets	**3,195,136**	**4,756,916**	**4,787,778**
Current Assets			
Inventories	125,100	127,585	128,241
Trade and other receivables	454,124	223,931	341,518
Income tax receivables	5,244	5,244	4,678
Marketable securities	-	29,015	112,000
Restricted cash	-	28,334	45,141
Cash and cash equivalents	213,920	258,012	49,226
Total current assets	**798,388**	**672,121**	**680,804**
TOTAL ASSETS	**3,993,524**	**5,429,037**	**5,468,582**
Liabilities and Equity			
Share capital	54,075	20,877	20,877
Capital reserves	-	305,198	302,431
Retained earnings	1,024,008	1,082,611	1,060,682
Equity attributable to equity holders of the parent	**1,078,083**	**1,408,686**	**1,383,990**
Non-controlling interest	385,762	764,892	767,254
Total Equity	**1,463,845**	**2,173,578**	**2,151,244**
Non-current liabilities			
Borrowings and loans	1,475,825	2,299,236	2,316,281
Derivatives	-	2,247	5,191
Deferred tax liabilities	434,122	422,174	411,226
Provisions	398,276	385,730	386,099
Total non-current liabilities	**2,308,223**	**3,109,387**	**3,118,797**
Current Liabilities			
Borrowings and loans	60,857	1,849	627
Trade and other payables	150,643	143,019	196,675
Income tax liabilities	9,956	1,204	1,239
Total current liabilities	**221,456**	**146,072**	**198,541**
TOTAL LIABILITIES	**2,529,679**	**3,255,459**	**3,317,338**
TOTAL LIBILITIES AND EQUITY	**3,993,524**	**5,429,037**	**5,468,582**

	As of December 31,	
	2014[(1)]	2015
	(audited) (US$ in thousands)	
Balance Sheet (at period end)		
Assets		
Non-current assets		
Property, plant and equipment	2,258,480	2,007,968
Intangible assets	649,017	577,194
Investment in associates	166,847	464,847
Pension asset	12,718	11,853
Deferred taxation	146,584	133,274
	3,233,646	3,195,136
Current Assets		
Inventories	138,861	125,100
Trade and other receivables	397,616	454,124
Taxation recoverable	5,244	5,244
Cash and cash equivalents	346,169	213,920
	887,890	798,388
Total assets	**4,121,536**	**3,993,524**
Equity and Liabilities		
Stated capital	219,741	54,075
Retained earnings	907,412	1,024,008
Non-controlling interest	-	385,762
	1,127,153	1,463,845
Non-current liabilities		
Borrowings	1,584,522	1,475,825
Deferred taxation	425,224	434,122
Asset retirement obligation	226,469	233,622
Other liabilities	285,203	164,654
	2,521,418	2,308,223
Current Liabilities		
Borrowings	223,484	60,857
Trade and other payables	157,200	150,643
Taxation payable	3,723	9,956
Other liabilities	88,558	-
	472,965	221,456
Total liabilities	2,994,383	2,529,679
Total equity and liabilities	**4,121,536**	**3,993,524**

(1) The 2014 financial information is as shown in the CEL (Barbados) 2014 Consolidated Financial Statements and does not contain certain adjustments resulting from the final recognition of purchase accounting related to the MHTL Acquisition. These adjustments may be found in the "Unaudited *Pro Forma* Condensed Combined Financial Information" section.

UNAUDITED *PRO FORMA* CONDENSED COMBINED FINANCIAL INFORMATION

Basis of preparation

The unaudited *pro forma* condensed combined financial information comprises the unaudited CEL (Barbados) *pro forma* condensed combined statements of comprehensive income for the fiscal year ended December 31, 2014.

The following unaudited *pro forma* condensed combined financial information of CEL (Barbados) and its subsidiaries for the fiscal year ended December 31, 2014 have been derived from the CEL (Barbados) 2014 Consolidated Financial Statements and the MHTL Interim Condensed Financial Statements, which are all included elsewhere in this Company Report.

The *pro forma* adjustments give effect to the acquisition and the financing of the remaining 56.53% stake in MHTL by CEL (Barbados) and the application of the proceeds therefrom; and are prepared as described below in the "—Notes to the Unaudited *Pro Forma* Condensed Combined Financial Information". For the purposes of this unaudited *pro forma* condensed combined financial information, the MHTL Acquisition and the issuance of the Existing Notes are deemed to have occurred on January 1, 2014 for the CEL (Barbados) *Pro Forma* Condensed Consolidated Statements of Comprehensive Income for the year ended December 31, 2014. The assumptions underlying the above *pro forma* adjustments are described in the notes presented in the unaudited *pro forma* condensed consolidated financial information, which should be read in conjunction with the unaudited *pro forma* condensed consolidated financial information. The MHTL Acquisition was accounted for by using the acquisition method of accounting. In accordance with IFRS 3, Business Combinations, the identifiable assets, liabilities and contingent liabilities were measured at fair value as of the acquisition date.

The *pro forma* adjustments give effect to events that are directly attributable to the MHTL Acquisition, are factually supportable and, with respect to the unaudited *pro forma* condensed consolidated combined statements of comprehensive income, are expected to have a continuing impact on CEL (Barbados).

The unaudited *pro forma* condensed combined financial information of CEL (Barbados) has not been prepared in accordance with Regulation S-X of the US Securities Act, the Prospectus Directive or generally accepted accounting standards and has been prepared for informational purposes only. It should not be considered indicative of actual results that would have been achieved had the MHTL Acquisition been completed on the dates indicated and does not purport to indicate CEL (Barbados)'s future consolidated results of operations.

The unaudited *pro forma* condensed combined financial information and the accompanying notes should be read in conjunction with our historical consolidated financial statements and related notes included elsewhere in this Company Report and the other financial information contained in "Selected Consolidated Financial and Other Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unaudited *Pro Forma* Condensed Combined Statement of Comprehensive Income of CEL (Barbados) for the Fiscal Year Ended December 31, 2014

				***Pro Forma* Adjustments**				
	CEL (Barbados) Historical Fiscal Year Ended December 31, 2014	**MHTL Historical Six Month Period from January 1, 2014 to June 30, 2014**	**MHTL Historical Three Month Period from July 1, 2014 to September 30, 2014**	**MHTL Acquisition adjustments**		**Financing adjustments [1]**		***Pro Forma* Fiscal Year Ended December 31, 2014**
	audited	*(unaudited)* *(US$ in thousands)*				*(US$ in thousands)*		
Revenues	358,594	890,682	313,484	-		-		1,562,760
Cost of Sales	(327,057)	(732,947)	(293,849)	(7,897)	(C)	-		(1,361,750)
Gross Profit	31,537	157,735	19,635	(7,897)		-		201,010
Other Income	269,735	27,819	115	(268,939)	(C)	-		28,730
Other Expenses	(13,645)	(2,657)	(1,102)	-		-		(17,404)
General and administrative	*(13,268)*	*(2,275)*	*(911)*	-		-		*(16,454)*
Marketing	*(377)*	*(382)*	*(191)*	-		-		*(950)*
Operating Profit	287,627	182,897	18,648	(276,836)		-		212,336
Finance Costs (net)	(25,746)	(15,031)	(7,474)	(6,935)	(C)	(66,683)	(A)	(121,869)
Share of results of associates	106,096	-	-	(61,520)	(B)	-		44,576
Profit before Taxation	367,977	167,866	11,174	(345,291)		(66,683)		135,043
Taxation Charge	636	(40,262)	2,746	(7,773)	(C)	-		(44,653)
Profit for the year / period	368,613	127,604	13,920	(353,064)		(66,683)		90,390
Other comprehensive income	747	-	-	-		-		747
Total Comprehensive Income	**369,360**	**127,604**	**13,920**	**(353,064)**		**(66,683)**		**91,137**

(1) Financing adjustments presented in this column relate to the Existing Notes.

The accompanying notes are an integral part of this unaudited *pro forma* condensed combined financial information.

Notes to the Unaudited *Pro Forma* Condensed Combined Financial Information

Adjustments relating to the Financing

(A) Additional finance cost

Adjustments have been made to reflect the additional finance cost incurred in connection with the offering of the Existing Notes.

The *pro forma* additional finance cost is based on the annual interest rate of 6.75% paid semi-annually for the Existing Fixed Rate Notes of US$1,050 million as well as 3-Months US LIBOR +350bps (*i.e.*, 3.73%) on the Existing Floating Rate Notes of US$200 million and the amortization of the financing fees and expenses of US$55 million over the terms of the notes offered from the assumed date of issuance of January 1, 2014.

It is assumed that the actual rates for the period October 7, 2014 to December 31, 2014 would have applied for the entire year from January 1, 2014 to January 31, 2014.

	Period	**Fiscal Year Ended December 31, 2014**
		(US$ in thousands)
Actual Finance Costs (EIR Method)	October 7, 2014 – December 31, 2014	20,611
Estimated Finance Costs for 360 days (EIR Method)	January 1, 2014 – December 31, 2014	87,294
Additional Finance Costs	**January 1, 2014 – October 6, 2014**	**66,683**

The actual interest rates that apply to the Existing Notes and the notes offered hereby may differ from the assumed rates due to, for example, changes in LIBOR.

Adjustments relating to the MHTL Acquisition

(B) Share of Results of Associates

Reversal of 43.47% share of MHTL's total comprehensive income for the period, which was previously included in the CEL (Barbados) 2014 Consolidated Financial Statements.

(C) One-off adjustments

The following adjustments relate to one-off adjustments on acquisition and amortization and write back of fair value adjustments on acquisition, as described in the CEL (Barbados) 2014 Consolidated Financial Statements in the notes indicated below:

		Fiscal Year Ended December 31, 2014
		(US$ in thousands)
Other Income		
Gain on Fair Value of previously held interest (note 22)	(i)	268,939
Total Other Income		**268,939**
Write back and amortization of fair value adjustments		
Cost of Sales	(ii)	7,897
Finance Costs (note 23)	(ii)	6,935
Taxation (note 24)	(ii)	7,773
Total write back and amortization of fair value adjustments		**22,605**

(i) The previously held 43.47% interest held in MHTL by CEL (Barbados) was re-measured at fair value at the acquisition date and the resulting gain of $268.9 million recognized in other income.

(ii) In accordance with International Financial Reporting Standards, the assets acquired and liabilities assumed on the acquisition of MHTL are measured at fair value. The resulting fair value adjustments of the acquisition are amortized/written back over the useful or economic life of the assets/liabilities.

(D) Fair Value of Identifiable Assets Acquired and Liabilities Assumed

The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition disclosed in the 2014 consolidated audited financial statements were provisional. Due to the complexity of the acquisition and as the acquisition was in close proximity to the period end, the assessment of the fair values of all the assets and liability had not been completed by the dates when the 2014 financial statements were approved for issue by management.

The assessment of fair values was completed in the period ended September 30, 2015 as follows:

	Final fair value	Provisional fair value
	(US$ in thousands)	*(US$ in thousands)*
Property, plant and equipment	2,187,344	2,304,560
Pension assets	12,364	12,364
Deferred tax assets	138,456	157,200
Intangible assets	79,101	121,451
Total non-current assets	2,417,265	2,595,575
Inventories	164,109	167,247
Trade and other receivables	432,630	432,630
Taxation recoverable	5,081	5,081
Cash and cash equivalents	325,095	325,095
Total current assets	926,915	930,053
Total Identifiable assets acquired	3,344,180	3,525,628
Borrowings	479,489	503,541
Deferred tax liability	460,400	443,146
Asset retirement obligation[5]	232,167	232,167
Other liabilities	181,374	290,997
Total non-current liabilities	1,353,430	1,469,851
Borrowings	221,898	222,562
Trade and other payables	142,573	142,573
Taxation payable	11,890	11,890
Other liabilities	113,850	132,837
Total current liabilities	490,211	509,862
Total Identifiable liabilities assumed	1,843,641	1,979,713
Net identifiable assets acquired	**1,500,539**	**1,545,915**

The 2014 comparative information was revised to reflect the adjustments to the provisional amounts. There was also a corresponding increase in goodwill of $45.4 million, resulting in total goodwill of $578 million, as shown in (D)(iv) below.

The impact of the adjustments to provisional amounts on the consolidated financial statements for the year ended December 31, 2014 is summarized in (D)(i) below:

(i) Effect on consolidated Statement of Financial Position

	Balance previously reported on December 31, 2014	Adjustment to previously reported fair value / reclassification	Increase/(decrease) in total comprehensive income	Restated balance on December 31, 2014
		(US$ in thousands)		
Property, plant and equipment	2,258,480	(117,216)	659	2,141,923
Inventories	138,861	(3,138)	3,138	138,861
Intangible assets (excluding goodwill)	116,390	(42,350)	1,765	75,805
Deferred tax assets	146,584	(12,944)	2,125	135,765
Other liabilities	(373,761)	128,610	(8,779)	(253,930)
Borrowings	(1,808,006)	24,716	(510)	(1,783,800)
Deferred tax liability	(425,224)	(23,054)	(5,859)	(454,137)
		(45,376)	(7,461)	

(ii) Effect on consolidated Statement of Comprehensive Income

	Fiscal Year Ended December 31, 2014
	(US$ in thousands)
Cost of sales	(3,217)
Finance cost	(510)
Taxation	(3,734)
Decrease in total comprehensive income for the year	**(7,461)**

(iii) Effect on consolidated Statement of Changes in Equity

	Balance previous reported on December 31, 2014	Effect of adjustment on Statement of Comprehensive Income on December 31, 2014	Restated balance on December 31, 2014
		(US$ in thousands)	
Share Capital	219,741	-	219,741
Retained Earnings	907,412	(7,461)	899,951
Total	**1,127,153**	**(7,461)**	**1,119,692**

(iv) Goodwill on the acquisition date was determined at the end of the measurement period as follows:

	Final	Provisional
	(US$ in thousands)	
Consideration paid for the acquisition of the additional 56.53% interest	1,175,000	1,175,000
Fair value of the previously held interest (43.47%)	903,542	903,542
Fair value of the net identifiable assets acquired	(1,500,539)	(1,545,915)
Goodwill	**578,003**	**532,627**

The goodwill primarily attributable to the significant synergies achieved from integrating MHTL into the Group. The goodwill recognized was non-deductible for tax purposes.

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

The Parent Guarantor was incorporated on April 6, 2016 as a stock corporation (Aktiengesellschaft) under the laws of Switzerland. Through a contribution-in-kind of 100% of its shares, OPAG became a wholly-owned direct subsidiary of the Parent Guarantor. The Parent Guarantor was established to facilitate the Natgas Acquisition. Firewater holds all of the membership interests in Natgas. The Natgas Acquisition was completed on May 4, 2016. Prior to the completion of the Natgas Acquisition, the Parent Guarantor did not conduct any business operations and did not have any material assets or liabilities other than those incurred in connection with its incorporation and the Natgas Acquisition, therefore limited historical information relating to the Parent Guarantor is available. The Parent Guarantor's financial information represents a continuation of OPAG's financial information as the underlying business did not change. The shareholders of the Parent Guarantor are Proman, which owns 75%, and Helm, which indirectly owns 25%. Prior to the formation of the Parent Guarantor and the reorganization of the shareholding in OPAG, OPAG owned 75% of CEL (Barbados), while Helm AG indirectly held 25%.

The Issuer is a wholly-owned, indirect subsidiary of the Parent Guarantor and was incorporated on July 3, 2014 as a public limited liability company (société anonyme) under the laws of Luxembourg. The Issuer is a special purpose vehicle established for the purpose of financing transactions, including the issuance of the Existing Notes. The audited annual financial statements of the Issuer as of and for the year ended December 31, 2016 are included elsewhere in this Company Report.

On October 9, 2014, CEL (Barbados) became the 100% shareholder of MHTL as the result of the acquisition of a 56.53% stake in MHTL from Colonial Life Insurance Company (Trinidad) Limited and C L Financial Limited (the "MHTL Acquisition").

Therefore, in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section we discuss the unaudited interim condensed consolidated financial statements of CEL as of and for the three months ended March 31, 2016 and 2017 and the audited consolidated financial statements of CEL as of and for the fiscal year ended December 31, 2016 and the audited consolidated financial statements of OPAG (Barbados) as of and for the fiscal year ended December 31, 2015 and the audited consolidated financial statements of CEL (Barbados) as of and for the fiscal year ended December 31, 2014 as well as certain unaudited pro forma condensed combined financial information of CEL (Barbados) for the fiscal year ended December 31, 2014 to give pro forma effect to the MHTL Acquisition and the related financing transactions as if they had been completed on January 1, 2014 (see "Unaudited Pro Forma Condensed Combined Financial Information"). We have included a discussion and analysis of both the CEL (Barbados) historical results and the pro forma information because we believe that such financial information is important to an investor's understanding of the Group's future operations.

The following discussion should be read in conjunction with the Group's consolidated financial statements and notes thereto included elsewhere in this Company Report and the pre-acquisition MHTL financial statements. This discussion and analysis contains forward-looking statements that involve risk, uncertainties and assumptions. See "Forward-Looking Statements." Our actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including those discussed in "Risk Factors" and elsewhere in this Company Report.

Overview

We estimate we are the world's second-largest merchant producer of methanol based on capacity in 2016 and a leading producer of UAN and melamine. As of March 31, 2017, we estimate we had a 9.8% market share of the worldwide methanol market (including full consolidation of OMC and excluding the Chinese market) and, as of March 31, 2017, we estimate we had a 24.2% market share of the UAN merchant market based on capacity. As of March 31, 2017, based on our size and capacity, we supplied methanol, UAN and melamine to over 260 end-customers, which include Fortune 500 companies. Additionally, in 2016 we were the largest importer of methanol by volume into the United States.

We own and operate five methanol plants near MHTL's headquarters in Point Lisas Industrial Estate in Trinidad, providing us with a low-cost production location and global distribution capabilities. We also operate an additional natural gas to methanol plant located in Pampa, Texas. Our M5000 plant is the world's largest stand-alone methanol plant with a design capacity of 1.9 million tonnes per year. We have a total installed methanol capacity of 4.1 million tonnes per year, including our operative facility in Pampa, Texas and we believe that our increasing production capacity has helped us become the world's largest importer of methanol into the United States by volume. Our main shareholder, Proman, constructed five of the six facilities. In addition to producing methanol, in 2010, we diversified our business to also produce urea ammonium nitrate ("UAN"). Of our estimated 24.2% UAN worldwide merchant market share, 63.8% was sold to North America and 36.2% to

Europe in the twelve months ended March 31, 2017. We further diversified our business into melamine, of which 41.1% of production was sold into the North American market while 58.9% was sold into the European market in the twelve months ended March 31, 2017. Our Ammonia-Urea Ammonium Nitrate-Melamine ("AUM") complex provides for a capacity of 60,000 tonnes of melamine, 1.5 million tonnes of UAN and 647,500 tonnes of ammonia per year, which is mainly used in the production of UAN and melamine.

Methanol is a liquid petrochemical that is an essential building block for numerous industrial and energy-related applications. Methanol is primarily produced using natural gas or, particularly in China, coal feedstocks and is a commodity chemical used to make other chemicals. Primary end uses for methanol include formaldehyde, which is used to produce adhesives for the manufacture of construction-related products, direct fuel applications including gasoline blending, dimethyl ether (DME), biodiesel and methyl tert butyl ether (MTBE, an octane-boosting gasoline additive) and increasingly methanol-to-olefins and methanol-to-propylene applications. UAN is a nitrogen-based liquid fertilizer product that helps to improve crop yields. UAN is produced by combining urea, nitric acid and ammonia and typically has a nitrogen content that ranges between 28% and 32%. Melamine is a white, organic, crystalline compound widely used in the manufacture of plastics, adhesives, countertops, dishware and whiteboards. Melamine is manufactured from urea and, therefore, is rich in nitrogen.

In addition to our methanol, UAN and melamine businesses, we also own equity interests in other companies, providing us with an additional income stream through dividends. As of March 31, 2017, we (i) had 43.47% of the equity interest of MHIL, which in turn owns 60.00% of the equity interests of OMC, (ii) had 30.00% of the equity interests of CNC, and (iii) are the sole shareholder in FS Petrochemicals, whose sole investment is a 30.00% shareholding in N2000. We are also the sole shareholder in MHTL and majority shareholder (77.17%) in G2X, which owns 50.0% of the equity interests in Firewater, which in turn owns 100% of the equity interests in Natgas. Natgas is developing a greenfield methanol production facility in Beaumont, Texas. The plant is expected to have a capacity of up to 1.75 million tonnes per annum and is expected to be the United States' largest methanol production facility (the "Natgas Facility"). The Natgas Facility is strategically located on the Gulf Coast of the United States to take advantage of the expected growing demand for methanol in the United States and other international markets in Europe and Asia. G2X has full control and operational leadership of the Natgas Facility and has the ability to supply cost-advantageous natural gas. An experienced Proman team is supporting the construction activities and transferring their extensive knowledge gained from previous EPC projects. As of March 31, 2017, the Natgas Facility project progress stood at approximately 81.12% with an expected start of production in the fourth quarter of 2017.

Our global distribution and supply infrastructure enables us to provide end-customers in the United States as well as in Europe with a reliable and recurring supply of methanol, UAN and melamine. To distribute methanol and UAN, we have contracted a dedicated fleet of 13 ocean-going vessels with a total capacity of 526,153 DWT that are available to us through long-term time charter contracts as of March 31, 2017. Of these, Natgas has chartered two methanol vessels, the "Noble Spirit" and the "Ambassador Norris", which have been sub-chartered to MHTL from 2016 onwards and have a combined capacity of 90,572 DWT. The addition of these two vessels to our methanol vessel fleet increases our total methanol fleet to a total of ten vessels with a combined capacity of 395,220 DWT. Furthermore, we operate methanol storage facilities at our main facilities in Trinidad, which we own, as well as in North America, Latin America and in Europe, which are leased by SCC and Helm, one of our main shareholders, which together totals 645,700 tonnes. To distribute our other products, UAN and melamine, we also rely on international third-party shipping. In addition, we have chartered three dedicated UAN vessels with a total shipping capacity of 130,933 DWT under long-term charter contracts, of which none is due to expire until 2029. We further own UAN storage facilities in Trinidad and Helm leases storage facilities in the United States and in Europe for our exclusive use with a total storage capacity of 341,000 tonnes

Through strategic partnerships with various distribution companies, we seek to benefit from specific market knowledge for each regional market. Our shareholder Helm, a chemical distribution company located in Germany, is our main distributor for most of our products globally, while in the Americas, we sell methanol and melamine through SCC, in which Helm and Proman hold strategic stakes. In addition, through our end-customer distribution program and our indirect 26.08% ownership interest in OMC, we have expanded our global presence to have better access to the Asian as well as Latin American markets.

In the twelve months ended March 31, 2017, we generated net sales of US$780.0 million, EBITDA of US$ 234.9 million and Adjusted EBITDA of US$275.7 million.

Key Factors Affecting Our Results

Our results of operations, financial condition and liquidity have been influenced in the periods discussed in this Company Report by the following events, facts, developments and market characteristics. We believe that these factors have influenced and are likely to continue to influence our operations in the future.

Sales Volumes

Our results of operations are significantly affected by our sales volumes. Sales volumes in turn depend in large part on the full use of our production capacities, which is mainly impacted by general outages of our facilities and natural gas curtailments. Depending on the severity and duration of such outages and curtailments, sales volumes and consequently our results of operation may vary from year to year. In 2014, 2015 and 2016 sales volumes declined, in large part due to planned and unplanned outages in our production facilities, as well as prolonged natural gas curtailments.

Production Outages

Our sales volumes largely depend on the on-stream factor of our production facilities. The on-stream factor generally defines the amount of time our facilities are online and manufacturing product per year and thus a higher percentage represents a lower number of production outages, which may be scheduled or unscheduled. Scheduled production outages generally occur for preventative maintenance or repair works, while unscheduled outages will occur due to failures in facilities or a lack of raw materials available for production. In addition, quality issues may be considered production outages, despite facilities still operating.

In 2014, 2015 and 2016, we experienced several scheduled outages related to preventative maintenance and repairs, but also in response to advisories on low gas supplies, for example in April 2015. While such outages are scheduled for a certain number of days, they may take longer, which has an effect on our production levels and, thus, sales volumes. In the same period, we also experienced several unscheduled outages. For example, our M 1 methanol plant had a five day outage in 2016 to facilitate repairs to a leak on the reformer flue gas economizer.

Natural Gas Curtailments

Natural gas is an essential raw material for the production processes at all of our facilities and lack thereof will prevent its facilities from operating at full capacity. Throughout 2014, 2015, 2016 and the three months ended March 31, 2017, reduced production resulted in natural gas curtailments, leading to reduced amounts of natural gas being made available to our facilities. The curtailments varied between 2014 and the three months ended March 31, 2017 and required occasional shutdowns of some of our facilities, which led to production outages and a decrease in sales volumes in 2014, 2015, 2016 and the three months ended March 31, 2017.

Market Prices

Our products are commodities and end-customers base purchasing decisions mainly on price and availability, as little differences exist between our products and those of competitors. Thus, we sell products at the prices prevalent on international commodities markets. At the same time, results of operations are affected by changes in prices of natural gas, our main raw material. While we source a majority of the required natural gas under contracts linking the price of natural gas to the price of the respective product produced, fluctuations in the natural gas price still impacts our business. See “Business—Raw Materials and Supplies.”

Product Market Prices

The prices we receive for products depend primarily on the prices attainable on the international commodities markets. These markets are often highly volatile and prices are dependent on various factors, such as weather and idling production capacities. Prices received for products are therefore determined by market conditions which could be subject to significant variation. See “Risk Factors—The methanol industry is subject to commodity price volatility and supply and demand uncertainty, —The UAN business is, and related prices are, cyclical and highly volatile and have experienced substantial downturns and—The melamine industry is subject to commodity price volatility and supply and demand uncertainty.”

In the period from 2014 to 2016, market prices experienced an overall decrease across all products: the market prices for ammonia decreased by 53% and the price for methanol, UAN and melamine decreased by approximately 49%, 39% and 12%, respectively.

Natural Gas Prices

Natural gas is the primary raw material used to produce our products. Our main subsidiary MHTL contracted with our main supplier, NGC, for daily delivery of up to approximately 473,000 MMBtu of natural gas per day for its facilities. For the fiscal year ended December 31, 2016 and the three months ended March 31, 2017, natural gas costs represented 71.6% and 46.4% of the Group’s total cost of sales, respectively. Historically, we have been able to generally hedge our natural gas prices with NGC by linking them contractually to the prices of our individual products. As a result, higher market prices for products caused higher natural gas prices and thus higher cost of sales. Conversely, lower market prices for products also cause lower gas prices and cost of sales, as was the case in 2015. This contractual hedging led to generally stable profit margins on our products that are independent of natural gas prices available on commodities markets. In addition, in 2014, ammonia prices were higher and UAN

and melamine prices were lower than budgeted, thus leading to higher gas prices in the production of ammonia and lower gas prices in the production of UAN and melamine. As we use ammonia mainly as feedstock in the production of UAN and melamine, the higher gas prices for the production of ammonia indirectly impacted the production of UAN and melamine by increasing production costs based on the ammonia used.

Factors Affecting Comparability

MHTL Acquisition

On September 23, 2014, C L Financial Limited and Colonial Life Insurance Company (Trinidad) Limited offered CEL (Barbados) the opportunity to acquire the remaining 56.53% issued and outstanding capital stock of MHTL which CEL accepted on September 25, 2014. The final terms, including a purchase price of US$1,175 million for the remaining stake in MHTL, were set by a tribunal of the International Chamber of Commerce's International Court of Arbitration on August 24, 2014. As a result, on October 9, 2014, CEL (Barbados) became the 100% shareholder of MHTL (the "MHTL Acquisition"). In connection with the MHTL Acquisition, the Issuer issued $1,250 million senior notes on October 7, 2014 in two tranches: a tranche of $1,050 million fixed rate senior unsecured notes with a coupon of 6.750% due 2019 (the "Existing Fixed Rate Notes") and a tranche of $200 million floating rate senior unsecured notes with a coupon of LIBOR plus 3.500% due 2019 (the "Existing Floating Rate Notes" and, together with the Existing Fixed Rate Notes, the "Existing Notes").

The inclusion of MHTL as of October 9, 2014 had a material effect on our results of operations, financial position and cash flow. Therefore, in this "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", we also include certain unaudited *pro forma* condensed combined financial information of CEL (Barbados) for the fiscal year ended December 31, 2014 to illustrate the effect to the MHTL Acquisition and the related financing transactions as if they had been completed on January 1, 2014 (see "Unaudited Condensed Combined *Pro Forma* Financial Information").

Natgas Acquisition

In 2012, G2X was formed as a spin-off from Accelergy Corporation. G2X began operations with an initial investment from PG Clean Fuels LLC ("PGCF"), a subsidiary of Proman. On May 4, 2016, G2X Energy (Beaumont) LLC ("G2X Energy"), a wholly-owned subsidiary of G2X, acquired a controlling 50% equity interest in Firewater, which owns 100% of Natgas (the "Natgas Acquisition"). In connection with the Natgas Acquisition, CEL acquired a controlling stake in G2X from Proman and, as a result, Firewater became a consolidated subsidiary of CEL. As part of the Natgas Acquisition, CEL, through its subsidiary G2X Energy, agreed to inject US$630.0 million in equity into Natgas and provide an additional US$50.0 million to Natgas by means of a contingent shareholder loan.

CEL was, among other reasons, established to facilitate the Natgas Acquisition. Prior to the completion of the Natgas Acquisition, CEL did not conduct any business operations and did not have any material assets or liabilities other than those incurred in connection with its incorporation and the Natgas Acquisition, therefore limited historical information relating to CEL is available. CEL's financial information represents a continuation of OPAG's financial information as the underlying business did not change.

Explanation of the Group's Key Line Items for fiscal years ended December 31, 2015 and 2016 and the three months ended March 31, 2016 and 2017

Net Sales

Net sales comprise the fair value of the consideration received or receivable for the sale of product in the ordinary course of the Group's activities.

Other Income

Other income primarily consists of quarterly amounts for directors' fees and expenses billed to the associates, MHIL, CNC and N2000, freight and shipping income and insurance settlement.

Purchase of materials, goods and services

Purchase of materials, goods and services primarily consists of cost of raw materials and consumables.

Change in finished goods

Change in finished goods include changes in inventory and changes of work in progress.

Employee benefits expense/Personnel expenses

Employee benefits expense/Personnel expenses consist of wages and salaries, pension expense, insurance related expenses, share-based compensation, severance payments and other personnel expenses.

Other Operating Expenses

Other operating expenses include consulting, legal and audit fees, rental and other operating leasing and loss on sale of property, plant and equipment.

Share of Profit (Loss) of Associates

Our share of results of associates is derived from our investments in MHIL, CNC and N2000.

Earnings Before Interest, Taxes, Depreciation And Amortization

Earnings before interest, taxes, depreciation and amortization states our profit less all expenses before interest, taxes, depreciation and amortization are applied to the profit.

Depreciation, Amortization and Impairment

The position includes depreciation, amortization and impairment of property, plant and equipment, investment properties, intangible assets and contract-related liabilities

Earnings Before Interest And Taxes

Earnings before interest and taxes state our total profit less all expenses before interest and taxes are applied to the profit.

Financial Income

Changes in fair values of financial assets at fair value through profit or loss are recorded in financial income/ expenses in the income statement.

Financial Expenses

Financial expenses primarily consist of interest expenses.

Profit (Loss) Before Taxes

Profit before taxes states our total income less all expenses before taxes are applied to the profit.

Income Tax

Income tax consists primarily of corporate taxes paid in Trinidad and also include deferred taxes.

Net Profit (Loss) For The Period

Net profit (loss) for the period states profit (loss) before taxes less income taxes.

Equity Holders Of The Parent

The position "equity holders of the parent" shows the share of net profit (loss) that is attributable to the majority holder of shares.

Non-controlling Interests

Non-controlling interest represents the part of net profit (loss) for the period that is not attributable, directly or indirectly, to a parent's share.

Explanation of the Group's Key Line Items for fiscal years ended December 31, 2014 and 2015

Revenue

Our revenue is mainly derived from sales of our core products methanol, UAN and melamine produced at our facilities. The production facilities are divided into a methanol and an AUM division.

Cost of Sales

Cost of sales primarily consists of cost of raw materials and consumables, selling expenses as well as depreciation.

Gross Profit

Gross profit is defined as revenue less cost of sales. Gross margin is gross profit in relation to revenue.

Other Income

Other income primarily consists of quarterly amounts for directors' fees and expenses billed to the associates, MHIL, CNC and N2000, freight and shipping income and insurance settlement.

Other Expenses

Other expenses includes general and administrative and marketing expenses.

Operating Profit

Operating profit is defined as earnings before net finance costs and income taxes.

Finance Costs

Net finance costs primarily consist of interest on the outstanding Existing Fixed Rate Notes and the Existing Floating Rate Notes.

Share of Results of Associates

Our share of results of associates is derived from our investments in MHIL, CNC and N2000.

Profit Before Taxation

Profit before taxation states our total income less all expenses before taxes are applied to the profit.

Taxation Charge

Taxation charge consists primarily of corporate taxes paid to Trinidad, including deferred taxes.

Other Comprehensive Income

Other comprehensive income reflects remeasurements of post-employment benefit obligations.

Total Comprehensive Income for the Year

Total comprehensive income for the year states profit for the year and other comprehensive income.

Our Results of Operations

The following tables shows our operating results for the three months ended March 31, 2016 and 2017, our operating results for the fiscal years ended December 31, 2014, 2015 and 2016 as well as *pro forma* operating results for the fiscal year ended December 31, 2014.

	Fiscal Years Ended December 31,		**Three Months Ended March 31,**		**Twelve Months Ended March 31,**
	2015	**2016**	**2016**	**2017**	**2017**
	(audited)		*(unaudited)*		*(unaudited)*
	(US$ in thousands)				
Net Sales	**1,188,879**	**711,592**	**225,800**	**294,336**	**780,128**
Other income	14,905	23,983	23	6,824	30,784
Purchase of materials, goods and services	(749,598)	(363,380)	(156,444)	(207,531)	(414,467)
Change in finished goods	(13,756)	(16,591)	3,358	4,125	(15,824)
Employee benefits expense/Personnel expenses	(2,225)	(8,878)	(470)	(2,590)	(10,998)
Other operating expense	(97,765)	(141,950)	(24,496)	(32,597)	(150,051)
Share of profit from associates	39,821	10,517	3,140	7,943	15,320
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**380,261**	**215,293**	**50,911**	**70,510**	**234,892**
Depreciation, amortization and impairment	(189,760)	(202,990)	(48,086)	(53,994)	(208,898)
Earnings before interest and taxes (EBIT)	**190,501**	**12,303**	**2,825**	**16,516**	**25,994**
Financial income	1,763	2,370	883	1,348	2,835
Financial expense	(123,181)	(134,130)	(30,086)	(36,122)	(140,166)
Financial result, net	**(121,418)**	**(131,760)**	**(29,203)**	**(34,774)**	**(137,331)**
Profit (loss) before taxes (EBT)	**69,083**	**(119,457)**	**(26,378)**	**(18,258)**	**(111,337)**
Income Tax	(43,125)	(24,266)	(8,730)	(4,114)	(19,650)
Net profit (loss) for the period	**25,958**	**(143,723)**	**(35,108)**	**(22,372)**	**(130,987)**
Net profit (loss) attributable to					
Equity holders of the parent	19,422	(127,126)	(26,330)	(18,552)	(119,348)
Non-controlling interests	6,536	(16,597)	(8,778)	(3,820)	(11,639)

Certain reclassifications have been made to the OPAG 2015 Consolidated Financial Statements, when presented on a comparatives basis with CEL 2016 Consolidated Financial information in this Company Report, to conform with CEL 2016 presentation.

	Fiscal Years Ended December 31,	
	2014[(1)]	2015
	(audited) (US$ in thousands)	
Revenue	358,594	1,294,202
Cost of sales	(327,057)	(1,064,135)
Gross profit	31,537	230,067
Other income	269,735	14,905
Other expenses	(13,645)	(72,072)
General and administrative	*(13,268)*	*(71,330)*
Marketing	*(377)*	*(742)*
Operating profit	287,627	172,900
Finance costs	(25,746)	(143,638)
Share of results of associates	106,096	39,821
Profit before taxation	367,977	69,083
Taxation charge	636	(43,125)
Profit for the year	368,613	25,958
Other comprehensive income/(loss)	747	(904)
Total comprehensive income	**369,360**	**25,054**

(1) The 2014 financial information is as shown in the CEL (Barbados) 2014 Consolidated Financial Statements and does not contain certain adjustments resulting from the final recognition of purchase accounting related to the MHTL Acquisition. These adjustments may be found in the "Unaudited *Pro Forma* Condensed Combined Financial Information" section.

	Pro Forma **Fiscal Year Ended December 31,**	**Fiscal Year Ended December 31,**
	2014	**2015**
	(unaudited)	*(audited)*
	(US$ in thousands)	
Revenue	1,562,760	1,294,202
Cost of sales	(1,361,750)	(1,064,135)
Gross profit	201,010	230,067
Other income	28,730	14,905
Other expenses	(17,404)	(72,072)
Administrative	*(16,454)*	*(71,330)*
Marketing	*(950)*	*(742)*
Operating profit	212,336	172,900
Finance costs	(121,869)	(143,638)
Share of results of associates	44,576	39,821
Profit before taxation	135,043	69,083
Taxation charge	(44,653)	(43,125)
Profit for the year	90,390	25,958
Other comprehensive income/loss	747	(904)
Total comprehensive income	**91,137**	**25,054**

Comparison of Our Results for the Three Months Ended March 31, 2017 with the Three Months Ended March 31, 2016

The following table shows our operating results for the three months ended March 31, 2017 and the three Months ended March 31, 2016

	Three Months Ended March 31,		
	2016	2017	% change
	(unaudited) (US$ in thousands)		
Net Sales	**225,800**	**294,336**	**30.4%**
Other income	23	6,824	29,569.6%
Purchase of materials, goods and services	(156,444)	(207,531)	(32.7)%
Change in finished goods	3,358	4,125	22.8%
Personnel expense	(470)	(2,590)	(451.1)%
Other operating expense	(24,496)	(32,597)	(33.1)%
Share of profit from associates	3,140	7,943	153.0%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**50,911**	**70,510**	**38.5%**
Depreciation, amortization and impairment	(48,086)	(53,994)	(12.3)%
Earnings before interest and taxes (EBIT)	**2,825**	**16,516**	**484.6%**
Financial income	883	1,348	52.7%
Financial expense	(30,086)	(36,122)	(20.1)%
Financial result, net	**(29,203)**	**(34,774)**	(19.1)%
Loss before taxes (EBT)	**(26,378)**	**(18,258)**	**30.8%**
Income Tax	(8,730)	(4,114)	52.9%
Net loss for the period	**(35,108)**	**(22,372)**	**36.3%**
Net loss attributable to			
Equity holders of the parent	(26,330)	(18,552)	29.5%
Non-controlling interests	(8,778)	(3,820)	56.5%

Net Sales

Net sales increased by US$68.5 million, or 30.4%, from US$225.8 million for the three months ended March 31, 2016 to US$294.3 million for the three months ended March 31, 2017. The increase in net sales was primarily due to higher product prices and the consolidation of G2X in the second quarter of 2016.

Other Income

Other income increased by US$6.8 million, or 29,569.6%, from US$0.02 million for the three months ended March 31, 2016 to US$6.8 million for the three months ended March 31, 2017. The increase in other income was primarily due to sub-charter vessels to Natgasoline and other parties.

Purchase Of materials, Goods And Services

Purchase of materials, goods and services increased by US$51.1 million, or 32.7%, from US$156.4 million for the three months ended March 31, 2016 to US$207.5 million for the three months ended March 31, 2017. The increase in purchase of materials, goods and services was primarily due to the increase in gas costs, which was consistent with the increase in methanol and ammonia prices.

Change In Finished Goods

Change in finished goods increased by US$0.8 million, or 22.8%, from US$3.4 million for three months ended March 31, 2016 to US$4.1 million for the three months ended March 31, 2017. The increase in finished goods was primarily due to valuation of MHTL methanol inventory at higher market prices.

Personnel Expense

Employee benefits expense increased by US$2.1 million, or 451.1%, from US$0.5 million for the three months ended March 31, 2016 to US$2.6 million for three months ended March 31, 2017. The increase in employee benefits expense was primarily due to the consolidation of G2X in the second quarter of 2016.

Other Operating Expense

Other operating expense increased by US$8.1 million, or 33.1%, from US$24.5 million for the three months ended March 31, 2016 to US$32.6 million for the three months ended March 31, 2017. The increase in other operating expense was primarily due to higher charter rates for newer methanol vessels as older vessels were retired.

Share of Profit From Associates

Share of profit from associates increased by US$4.8 million, or 153.0%, from US$3.1 million for the three months ended March 31, 2016 to US$7.9 million for the three months ended March 31, 2017. The increase in share of profit from associates was primarily due to higher ammonia prices generated by CNC and N2000.

Earnings Before Interest, Taxes, Depreciation And Amortization

EBITDA increased by US$19.6 million, or 38.5%, from a profit of US$50.9 million for the three months ended March 31, 2016 to a profit of US$70.5 million for the three months ended March 31, 2017. The increase in EBITDA was primarily due to higher methanol, UAN and ammonia market prices.

Depreciation, Amortization and Impairment

Depreciation, amortization and impairment increased by US$5.9 million, or 12.3%, from US$48.1 million for the three months ended March 31, 2016 to US$54.0 million for the three months ended March 31, 2017. The increase in depreciation, amortization and impairment was primarily due to the consolidation of G2X in the second quarter of 2016.

Earnings Before Interest And Taxes

EBIT increased by US$13.7 million, or 484.6%, from a profit of US$2.8 million for the three months ended March 31, 2016 to a profit of US$16.5 million for the three months ended March 31, 2017. The increase in EBIT was primarily due to higher methanol, UAN and ammonia market prices.

Financial Income

Financial income increased by US$0.5 million, or 52.7%, from US$0.9 million for the three months ended March 31, 2016 to US$1.3 million for the three months ended March 31, 2017. The increase in financial income was primarily due to the consolidation of G2X in the second quarter of 2016.

Financial Expense

Financial expense increased by US$6.0 million, or 20.1%, from US$30.1 million for the three months ended March 31, 2016 to US$36.1 million for the three months ended March 31, 2017. The increase in financial expense was primarily due to the consolidation of G2X in the second quarter of 2016.

Financial Result, Net

The net financial result decreased by US$5.6 million, or 19.1%, from a loss of US$29.2 million for three months ended March 31, 2016 to a loss of US$34.8 million for the three months ended March 31, 2017. The decrease in net financial result was primarily due to the consolidation of G2X in the second quarter of 2016.

Loss Before Taxes

The loss before taxes decreased by US$8.1 million, or 30.8%, from a loss of US$26.4 million for three months ended March 31, 2016 to a loss of US$18.3 million for the three months ended March 31, 2017. The decrease in loss before taxes was primarily due to higher methanol, UAN and ammonia market prices.

Income Tax

Income tax decreased by US$4.6 million, or 52.9%, from US$8.7 million for the three months ended March 31, 2016 to US$4.1 million for the three months ended March 31, 2017. The decrease in income tax charge was primarily due to the disproportional reduction in profits primarily as a result of the depreciating Trinidadian dollar against the US dollar, which significantly reduced MHTL's property plant and equipment tax base, giving rise to a deferred tax charge.

Net Loss For The Period

The net loss for the period decreased by US$12.7 million, or 36.3%, from a loss of US$35.1 million for the three months ended March 31, 2016 to a loss of US$22.4 million for the three months ended March 31, 2017. The decrease in net loss for the period was primarily due to higher methanol, UAN and ammonia market prices.

Net Loss Attributable To Equity Holders Of The Parent

The net loss attributable to equity holders of the Parent decreased by US$7.8 million, or 29.5%, from a loss of US$26.3 million for the three months ended March 31, 2016 to a loss of US$18.6 million for the three months ended March 31, 2017. The increase in the equity holders of the Parent for the period was primarily due to higher methanol, UAN and ammonia market prices.

Net Loss Attributable To Non-controlling Interests

The net loss attributable to non-controlling interests decreased by US$5.0 million, or 56.5%, from a loss of US$8.8 million for the three months ended March 31, 2016 to a loss of US$3.8 million for the three months ended March 31, 2017. The increase in the non-controlling interests for the period was primarily due to higher methanol, UAN and ammonia market prices.

Comparison of Our Results for the Fiscal Year Ended December 31, 2016 with the Fiscal Year Ended December 31, 2015

The following table shows our operating results for the fiscal year ended December 31, 2016 and the fiscal year ended December 31, 2015.

	Fiscal Year Ended December 31,		
	2015	2016	% change
	(audited) *(US$ in thousands)*		
Net Sales	**1,188,879**	**711,592**	**(40.1)%**
Other income	14,905	23,983	60.9%
Purchase of materials, goods and services	(749,598)	(363,380)	51.5%
Change in finished goods	(13,756)	(16,591)	(20.6)%
Employee benefits expense	(2,225)	(8,878)	(299.0)%
Other operating expense	(97,765)	(141,950)	(45.2)%
Share of profit from associates	39,821	10,517	(73.6)%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**380,261**	**215,293**	**(43.4)%**
Depreciation, amortization and impairment	(189,760)	(202,990)	(7.0)%
Earnings before interest and taxes (EBIT)	**190,501**	**12,303**	**(93.5)%**
Financial income	1,763	2,370	34.4%
Financial expense	(123,181)	(134,130)	(8.9)%
Financial result, net	**(121,418)**	**(131,760)**	**(8.5)%**
Profit (loss) before taxes (EBT)	69,083	(119,457)	(272.9)%
Income Tax	(43,125)	(24,266)	43.7%
Net profit (loss) for the period	**25,958**	**(143,723)**	**(653.7)%**
Net profit/(loss) attributable to			
Equity holders of the parent	19,422	(127,126)	(754.5)%
Non-controlling interests	6,536	(16,597)	(353.9)%

Certain reclassifications have been made to the OPAG 2015 Consolidated Financial Statements, when presented on a comparatives basis with CEL 2016 Consolidated Financial information in this Company Report, to conform with CEL 2016 presentation.

Net Sales

Net sales decreased by US$477.3 million, or 40.1%, from US$1,188.9 million for the fiscal year ended December 31, 2015 to US$711.6 million for the fiscal year ended December 31, 2016. The decrease in net sales was primarily due to lower market prices of both methanol and UAN during the period.

Other Income

Other income increased by US$9.1 million, or 60.9%, from US$14.9 million for the fiscal year ended December 31, 2015 to US$24 million for the fiscal year ended December 31, 2016. The increase in other income was primarily due to an insurance claim refund in 2016.

Purchase Of Materials, Goods and Services

Purchase of materials, goods and services decreased by US$386.2 million, or 51.5%, from US$749.6 million for the fiscal year ended December 31, 2015 to US$363.4 million for the fiscal year ended December 31, 2016. The decrease in purchase of materials, goods and services was primarily due to material supply limitations during the year 2016 and lower material costs.

Change In Finished Goods

The negative balance in change in finished goods increased by US$2.8 million, or 20.6%, from US$13.8 million for the fiscal year ended December 31, 2015 to US$16.6 million for the fiscal year ended December 31, 2016. The increase in finished goods was primarily due to valuation of MHTL methanol inventory at higher market prices.

Employee Benefits Expense

Employee benefits expense increased by US$6.7 million, or 299.0%, from US$2.2 million for the fiscal year ended December 31, 2015 to US$8.9 million for the fiscal year ended December 31, 2016. The increase in employee benefits expense was primarily due to the consolidation of G2X in the second quarter of 2016.

Other Operating Expense

Other operating expense increased by US$44.2 million, or 45.2%, from US$97.8 million for the fiscal year ended December 31, 2015 to US$142.0 million for the fiscal year ended December 31, 2016. The increase in other operating expense was primarily due to higher charter rates for newer methanol vessels as older vessels were retired and the consolidation of G2X in 2016.

Share Of Profit From Associates

Share of profit from associates decreased by US$29.3 million, or 73.6%, from US$39.8 million for the fiscal year ended December 31, 2015 to US$10.5 million for the fiscal year ended December 31, 2016. The decrease in share of profit from associates was primarily due to the impact of the decline of ammonia prices in 2016 on the capacity earnings generated from CNC and N2000.

Earnings Before Interest, Taxes, Depreciation And Amortization

EBITDA decreased by US$165.0 million, or 43.4%, from a profit US$380.3 million for the fiscal year ended December 31, 2015 to a profit of US$215.3 million for the fiscal year ended December 31, 2016. The decrease in EBITDA was primarily due to lower product prices.

Depreciation, Amortization and Impairment

Depreciation, amortization and impairment increased by US$13.2 million, or 7%, from US$190 million for the fiscal year ended December 31, 2015 to US$203 million for the fiscal year ended December 31, 2016. The increase in depreciation, amortization and impairment was primarily due to the consolidation of G2X in the second quarter of 2016.

Earnings Before Interest And Taxes

EBIT decreased by US$178.2 million, or 93.5%, from a profit US$190.5 million for the fiscal year ended December 31, 2015 to a profit of US$12.3 million for the fiscal year ended December 31, 2016. The decrease in EBIT was primarily due to lower product prices.

Financial Income

Financial income increased by US$0.6 million, or 34.4%, from US$1.8 million for the fiscal year ended December 31, 2015 to US$2.4 million for the fiscal year ended December 31, 2016. The increase in financial income was primarily due to income on marketable securities.

Financial Expenses

Finance expenses increased by US$10.9 million, or 8.9%, from US$123.2 million for the fiscal year ended December 31, 2015 to US$134.1 million for the fiscal year ended December 31, 2016. The increase in financial expenses was primarily due to an unrealized loss on derivative instrument.

Net Financial Result

The net financial result decreased by US$10.3 million, or 8.5%, from a loss of US$121.4 million for the fiscal year ended December 31, 2015 to a loss of US$131.8 million for the fiscal year ended December 31, 2016. The decrease in net financial result was primarily due to an unrealized loss on derivative instrument.

Profit (Loss) Before Taxes

Profit (loss) before taxes decreased by US$188.5 million, or 272.9%, from a profit US$69.1 million for the fiscal year ended December 31, 2015 to a loss of US$119.5 million for the fiscal year ended December 31, 2016. The decrease in profit before taxation was primarily due to lower product prices.

Income Tax

Income tax decreased by US$18.9 million, or 43.7%, from US$43.1 million for the fiscal year ended December 31, 2015 to US$24.3 million for the fiscal year ended December 31, 2016. The decrease in income tax was primarily due to the disproportional reduction in profits primarily as a result of lower product prices.

Net Profit (Loss) For The Period

The net profit (loss) for the period decreased by US$169.7 million, or 653.7%, from a profit of US$26 million for the fiscal year ended December 31, 2015 to a loss of US$143.7 million for the fiscal year ended December 31, 2016. The decrease in net profit for the period was primarily due to lower product prices, offset by falling gas costs.

The Net Loss Attributable To Equity Holders Of The Parent

The net loss attributable to equity holders of the Parent increased by US$146.5 million, or 754.5%, from a profit of US$19.4 million for the fiscal year ended December 31, 2015 to a loss of US$127.1 million for the fiscal year ended December 31, 2016. The decrease in equity holders of the Parent was primarily due to lower product prices.

The Net Loss Attributable To Non-controlling Interests

The net loss attributable to non-controlling interests increased by US$23.1 million, or 353.93%, from a profit of US$6.5 million for the fiscal year ended December 31, 2015 to a loss of US$16.6 million for the fiscal year ended December 31, 2016. The decrease in non-controlling interests was primarily due to lower product prices.

Comparison of Our Results for the Fiscal Year Ended December 31, 2015 with the *Pro Forma* Fiscal Year Ended December 31, 2014

The following table shows our operating results for the fiscal year ended December 31, 2015 and the *pro forma* fiscal year ended December 31, 2014.

	Pro Forma **Fiscal Year Ended December 31,**	**Fiscal Year Ended December 31,**	
	2014	**2015**	**% change**
	(unaudited)	*(audited)*	
	(US$ in thousands)		
Revenue	1,562,760	1,294,202	(17.2)%
Cost of sales	(1,361,750)	(1,064,135)	(21.9)%
Gross profit	201,010	230,067	14.5%
Other income	28,730	14,905	(48.1)%
Other expenses	(17,404)	(72,072)	314.1%
General and administrative	*(16,454)*	*(71,330)*	*333.5%*
Marketing	*(950)*	*(742)*	*(21.9)%*
Operating profit	212,336	172,900	(18.6)%
Finance costs	(121,869)	(143,638)	17.9%
Share of results of associates	44,576	39,821	(10.7)%
Profit before taxation	135,043	69,083	(48.8)%
Taxation charge	(44,653)	(43,125)	(3.4)%
Profit after taxation—attributable to owners	90,390	25,958	(71.3)%
Other comprehensive income/(loss)	747	(904)	(221.0)%
Total comprehensive income	**91,137**	**25,054**	**(72.5)%**

Revenue

The following table shows the revenue of our methanol and AUM divisions for the fiscal year ended December 31, 2015 and the *pro forma* fiscal year ended December 31, 2014.

	Pro Forma **Fiscal Year Ended December 31,**	**Fiscal Year Ended December 31,**	
	2014	**2015**	**% change**
	(unaudited) *(US$ in thousands)*		
Methanol division	1,167,396	942,609	(19%)
AUM division	395,364	351,593	(11%)
Total	**1,562,760**	**1,294,202**	**(17.2)%**

Revenue decreased by US$268.6 million, or 17.2%, from US$1,562.8 million for the *pro forma* year ended December 31, 2014 to US$1,294.2 million for the year ended December 31, 2015. The decrease in revenue was primarily due to significant gas curtailments and extended plant outages, both planned and unplanned coupled with lower methanol and UAN market prices during the year.

The methanol division accounted for 75% of revenue for the *pro forma* year ended December 31, 2014 and 73% of revenue for the year ended December 31, 2015.

The AUM division accounted for 25% of revenue for the *pro forma* year ended December 31, 2014 and 27% of revenue for the year ended December 31, 2015.

Cost of Sales

Cost of sales decreased by US$297.7 million, or 21.9%, from US$1,361.8 million on a *pro forma* basis for the year ended December 31, 2014 to US$1,064.1 million for the year ended December 31, 2015. The decrease in cost of sales is consistent with the fall in sales volumes and by falling gas prices for both methanol and UAN.

Gross Profit

Gross profit increased by US$29.1 million, or 14.5%, from US$201.0 million on a *pro forma* basis for the year ended December 31, 2014 to US$230.1 million for the year ended December 31, 2015. The increase in gross profit was primarily due to the reduction in gas costs which were partially offset by reduced sales as a result of lower methanol and UAN market prices coupled with reduced sales volumes in 2015.

Other Income

Other income decreased by US$13.8 million, or 48.1%, from US$28.7 million on a *pro forma* basis for the year ended December 31, 2014 to US$14.9 million for the year ended December 31, 2015. The decrease in other income was primarily due to a reduction in proceeds derived from insurance claims from US$28.5 million in 2014 to US$2 million in 2015, as well as a reduction in freight and shipping income as a result of fewer sub-charters in 2015.

Other Expenses

Other expenses increased by US$54.7 million, or 314.1%, from US$17.4 million on a *pro forma* basis for the year ended December 31, 2014 to US$72.1 million for the year ended December 31, 2015. The increase in other expenses was primarily due to legal and professional costs associated with an anti-dumping and countervailing duty investigation by the US International Trade Commission and the US Department of Commerce on the sale of melamine, which closed in December 2015.

Operating Profit

Operating profit decreased by US$39.4 million, or 18.6%, from US$212.3 million on a *pro forma* basis for the year ended December 31, 2014 to US$172.9 million for the year ended December 31, 2015. The decrease in operating profit was primarily due to the reduction in insurance claims received and increase in other expenses in 2015.

Finance Costs

Finance costs increased by US$21.8 million, or 17.9%, from US$121.9 million on a *pro forma* basis for the year ended December 31, 2014 to US$143.6 million for the year ended December 31, 2015. The increase in finance costs was primarily due to the full year impact of the issuance of the Existing Notes in October 2014.

Share of Results of Associates

Share of results of associates decreased by US$4.8 million, or 10.7%, from US$44.6 million on a *pro forma* basis for the year ended December 31, 2014 to US$39.8 million for the year ended December 31, 2015. The decrease in share of results of associates was primarily due to the reduction in ammonia and methanol market prices.

Profit Before Taxation

Profit before taxation decreased by US$66.0 million, or 48.8%, from US$135.1 million on a *pro forma* basis for the year ended December 31, 2014 to US$69.1 million for the year ended December 31, 2015. The decrease in profit before taxation was primarily due to the reduction in proceeds derived from insurance claims received in 2014 from US$28.5 million and the increase in finance costs and other expenses, compared with US$2 million in 2015.

Taxation Charge

Taxation charge decreased by US$1.5 million, or 3.4%, from US$44.7 million on a *pro forma* basis for the year ended December 31, 2014 to US$43.1 million for the year ended December 31, 2015. The decrease in taxation charge was primarily due to a decrease in deferred taxation credit.

Profit After Taxation

Profit after taxation decreased by US$64.4 million, or 71.3%, from US$90.4 million on a *pro forma* basis for the year ended December 31, 2014 to US$26.0 million for the year ended December 31, 2015. The decrease in profit after taxation was primarily due to an insurance claim received in 2014 and an increase in other expenses in 2015.

Other Comprehensive Income

Other comprehensive income decreased by US$1.7 million, or 221.0%, from US$0.7 million on a *pro forma* basis for the year ended December 31, 2014 to a loss of US$0.9 million for the year ended December 31, 2015. The decrease in other comprehensive income was primarily due to the re-measurements of post-employment benefit obligations arising from the actuarial devaluation of our post-employment benefit plan's assets.

Total Comprehensive Income

Total comprehensive income decreased by US$66.1 million, or 72.5%, from US$91.1 million on a *pro forma* basis for the year ended December 31, 2014 to US$25.1 million for the year ended December 31, 2015. The decrease in total comprehensive income was primarily due to higher income from insurance claim proceeds in 2014 and an increase in finance costs and other expenses.

Liquidity and Capital Resources

For the fiscal years ended December 31, 2014, 2015 and 2016, our principal source of liquidity was income from the operating activities of our subsidiaries and associates received in the form of dividends. We continue to believe we will have available resources to meet our liquidity requirements, including debt services, for at least the next twelve months.

Committed Investments

We have US$12.0 million committed for MHTL for prepayments on equipment and turnaround for the 2018 turnaround and US$140.2 million committed funding towards the completion of Natgas in the fourth quarter of 2017.

Period-to-Period Analysis of Cash Flows

The summary cash flow statement below shows how our cash and cash equivalents changed over the relevant periods indicated by cash inflows and outflows.

Consolidated Statement of Cash Flows	Three Months Ended March 31,	
	2016	2017
	(unaudited) *US$ in thousands)*	
Cash flow from operating activities		
Profit/(Loss) before taxes	**(26,378)**	**(18,258)**
Adjustments for:		
Depreciation, amortization and impairment	48,806	53,994
Change in provisions	2,410	2,659
Share of results of associates	(3,140)	(7,943)
Interest expense, net	24,325	29,953
Interest income, net	(348)	(48)
Fair value change of derivatives	-	2,944
Loss on disposal of property, plant and equipment	-	1,195
Stock-based compensation expense	-	38
Other non-cash items	3,311	13,746
Working capital adjustments:		
Trade and other receivables	43,138	(117,587)
Inventories	(13,921)	(656)
Trade and other payables	302	46,434
Income tax paid	(1,328)	(1,321)
Net cash flow from operating activities	**76,457**	**5,150**
Cash flow from investing activities		
Purchase of property, plant and equipment	(29,474)	(105,062)
Loan to related party	(8,850)	-
Purchase of marketable securities	-	(82,985)
Dividends received	4,054	-
Increase investments in associated companies	-	1,283
Change in restricted cash	-	(16,664)
Interest received	-	134
Net cash flow used in investing activities	**(34,270)**	**(203,294)**
Cash flow from financing activities		
Repayment of other borrowings	(725)	(1,784)
Interest paid	(5,869)	(8,858)
Net cash flow used in financing activities	**(6,594)**	**(10,642)**
Net change in cash and cash equivalents	**35,593**	**(208,786)**
Cash and cash equivalents at beginning of period	213,920	258,012
Cash and cash equivalents at end of year	249,513	49,226
Net change	**35,593**	**(208,786)**

Consolidated Statement of Cash Flows	Fiscal Years Ended December 31,	
	2015	2016
	(audited) *(US$ in thousands)*	
Cash flow from operating activities		
Profit/(loss) before taxes	**69,083**	**(119,457)**
Adjustments for:		
Depreciation and amortization	126,329	202,990
Impairment of goodwill	63,431	-
Interest expense	115,392	116,319
Interest income on loans	(215)	(1,074)
Share of results of associates	(39,821)	(10,517)
Fair value change of derivatives	-	2,247
Loss on disposal of property, plant and equipment	-	16,759
Stock-based compensation	-	383
Movements in provisions and pensions	3,822	(3,659)
Other non-cash items	-	11,744
Working capital adjustments:		
Inventories	17,909	(3,518)
Trade and other receivables	54,706	126,585
Trade and other payables	(4,808)	(104,070)
Income tax paid	(53,936)	(14,560)
Net cash flow from operating activities	**351,892**	**220,172**
Cash flow from investing activities		
Purchase of property, plant and equipment	(47,590)	(492,835)
Dividends from associated companies	60,740	18,143
Interest Received	-	1,271
Acquisition of subsidiary, net of cash acquired	-	50,372
Purchase of marketable securities	-	(29,015)
Change in restricted cash	-	(28,334)
Net cash flow used in/from investing activities	**13,150**	**(480,398)**
Cash flow from financing activities		
Proceeds from borrowings	650,000	242,034
Loans from related party	(111,000)	107,000
Transaction costs on issuance of long term loans	(16,273)	(344)
Repayment of other borrowings	(914,373)	(181,670)
Acquisition of non-controlling interests	-	(3,400)
Interest paid	(105,830)	(109,302)
Dividends paid	(400)	-
Capital increase	-	250,000
Net cash flow used in/from financing activities	**(497,876)**	**304,318**
Net change in cash and cash equivalents	**(132,834)**	**44,092**
Cash and cash equivalents at beginning of period	346,754	213,920
Cash and cash equivalents at end of year	213,920	258,012
Net change	**(132,834)**	**44,092**

Certain reclassifications have been made to the OPAG 2015 Consolidated Financial Statements, when presented on a comparatives bıasis with CEL 2016 Consolidated Financial information in this Company Report, to conform with CEL 2016 presentation.

Consolidated Statement of Cash Flows	Fiscal Years Ended December 31,	
	2014[1]	2015
	(audited) (US$ in thousands)	
Operating activities		
Profit before taxation	367,977	69,083
Adjustments for:		
Depreciation and amortization	28,477	126,329
Impairment of goodwill	-	63,431
Loan interest expense	24,537	114,399
Net pension cost	(668)	(631)
Exchange difference on pension asset	-	105
Provisions: unwinding of discount	1,309	4,348
Gain on re-measurement of previously held interest	(268,939)	-
Amortization of transaction costs	-	993
Share of results of associates	(106,096)	(39,821)
	46,597	338,236
Net changes in working capital		
Decrease in inventories	632	17,909
Decrease in trade and other receivables	35,014	54,491
Increase in trade and other payables	589	(4,808)
	82,832	405,828
Net taxation paid	(14,836)	(53,936)
Net cash (used in)/generated from operating activities	67,996	351,892
Investing activities		
Purchase of property, plant and equipment	(12,538)	(47,590)
Acquisition of subsidiary, net of cash acquired	(849,905)	-
Dividends received	62,297	60,740
Interest Received	-	-
Investment in other long-term assets	-	-
Loan to related party	-	(111,000)
Net cash flow used in investing activities	(800,146)	(97,850)
Financing activities		
Proceeds from long term loans	-	650,000
Transaction costs on long term loans	-	(16,101)
Proceeds from issuance of notes	1,239,500	-
Transaction costs on issuance of notes	(48,515)	(172)
Repayment of other borrowings	(104,259)	(914,373)
Loan interest paid	(8,499)	(105,830)
Dividends paid	-	(400)
Net cash flow from/used in financing activities	1,078,227	(386,876)
Net increase/(decrease) in cash and cash equivalents	346,077	(132,834)
Cash and cash equivalents—beginning of year	92	346,169
Cash and cash equivalents—end of year	346,169	213,920

(1) The 2014 financial information is as shown in the CEL (Barbados) 2014 Consolidated Financial Statements and does not contain certain adjustments resulting from the final recognition of purchase accounting related to the MHTL Acquisition. These adjustments may be found in the "Unaudited *Pro Forma* Condensed Combined Financial Information" section.

Cash Flows for the Three Months Ended March 31, 2017 and for the Three Months Ended March 31, 2016

Cash Flows from Operating Activities

Cash flow from operating activities decreased from a US$76.5 million in the three months ended March 31, 2016 by US$71.3 million, or 93.3%, to US$5.2 million in the three months ended March 31, 2017. The decrease in cash flow from operating activities was mainly the result of decreasing methanol, UAN and ammonia prices.

Cash Used in Investing Activities

Cash outflow from investing activities increased from a cash outflow of US$34.3 million in the three months ended March 31, 2016 by US$169 million, or 493.2 %, to a cash outflow of US$203.3 million in the three months ended March 31, 2017. The increase in cash outflow from investing activities was mainly the result of the purchase of marketable securities and acquisition of a 50% stake in Natgasoline, a methanol plant currently being constructed in Beaumont Texas, which will produce 1.75 million tonnes per year, upon completion in the fourth quarter of 2017.

Cash Used in Financing Activities

Cash outflow from financing activities increased from a cash outflow of US$6.6 million in the three months ended March 31, 2016 by US$4.0 million, or 61.4%, to a cash outflow of US$10.6 million in the three months ended March 31, 2017. The increase in cash outflow from financing activities was mainly due to the first time consolidation of G2X in the first half of 2016.

Cash Flows for the Fiscal Year Ended December 31, 2016 and for the Fiscal Year Ended December 31, 2015

Cash Flows from Operating Activities

Cash flow from operating activities decreased from US$351.9 million in the fiscal year ended December 31, 2015 by US$131.7 million, or 37.4%, to US$220.2 million in the fiscal year ended December 31, 2016. The decrease in cash flow from operating activities was mainly the result of decreasing methanol, UAN and ammonia prices.

Cash Used in Investing Activities

Cash outflow from investing activities decreased from a cash inflow of US$13.1 million in the fiscal year ended December 31, 2015 by US$493.5 million, or 3,753.2 %, to a cash outflow of US$480.4 million in the fiscal year ended December 31, 2016. The increase in cash outflow from investing activities was mainly the result of the acquisition of 50% stake in Natgasoline, a methanol plant currently being constructed in Beaumont Texas, which will produce 1.75 million tonnes per year, upon completion in the fourth quarter of 2017.

Cash Used in Financing Activities

Cash flow from financing activities moved from a cash outflow of US$497.9 million in the fiscal year ended December 31, 2015 by US$802.2 million, or 161.12%, to a cash inflow of US$304.3 million in the fiscal year ended December 31, 2016. The decrease in cash outflow from financing activities was mainly due to a capital increase by CEL's shareholders and a decrease in borrowing in 2016.

Cash Flows for the Fiscal Year Ended December 31, 2015 and the Fiscal Year Ended December 31, 2014

Cash Flows from Operating Activities

Cash flow from operating activities increased from US$68.0 million in the fiscal year ended December 31, 2014 by US$283.9 million, or 417.5%, to US$351.9 million in the fiscal year ended December 31, 2015. The increase in cash flow from operating activities was mainly the result of the full consolidation of MHTL in 2015.

Cash Used in Investing Activities

Cash outflow from investing activities decreased from an outflow of US$800.1 million in the fiscal year ended December 31, 2014 by US$702.3 million, or 87.8%, to US$97.9 million in the fiscal year ended December 31, 2015. The decrease in cash outflow from investing activities was mainly the result of the consideration paid for the acquisition of the MHTL shares in 2014.

Cash Used in Financing Activities

Cash from financing activities moved from a cash inflow of US$1,078.2 million in the fiscal year ended December 31, 2014 by US$1,465.1 million, or 135.9%, to a cash outflow of US$386.9 million in the fiscal year ended December 31, 2015. The increase in cash outflow from financing activities was mainly due to repayment of MHTL debt in 2015.

Capital Resources

The table below gives an overview of our available liquidity as of March 31, 2017:

	As of March 31, 2017
	(unaudited) *(US$ in thousands)*
Cash at bank and in hand	49,226
Restricted cash[(1)]	45,141
Marketable securities	112,000
Total	**206,367**

(1) As of March 31, 2017, the total balance of restricted cash is $45.1 million, consisting of $14.6 million restricted for capitalized interest payments, $14.6 million restricted for bond debt service reserves, and $15.9 million restricted for qualified construction costs. Amounts on deposit in the capitalized interest account can only be used to pay capitalized interest related to the Tax-Exempt Bonds. The debt service reserve account was created for the benefit of the holders or owner of the Tax-Exempt Bonds and such amounts can only be used to pay interest related to the Tax-Exempt Bonds.

Financial Debt

Our main sources of financial debt are the Existing Notes, the MHTL Initial Term Loan, the MHTL Revolving Credit Facility and the Tax-Exempt Bonds as described under "Description of Other Indebtedness."

The table below shows the Group's long-term indebtedness, as of March 31, 2017:

	As of March 31, 2017
	(unaudited) *(US$ in thousands)*
Existing Fixed Rate Notes	1,022,566
Existing Floating Rate Notes	194,774
Tax-Exempt Bonds[1]	228,117
MHTL Initial Term Loan[1]	272,427
MHTL Revolving Credit Facility[1]	300,000
Pass-through Revenue Bonds	295,102
Mortgage payable	787
Reserve-based credit facility[1]	3,135
Total	**2,316,908**

(1) Secured by certain assets of the respective entities.

Contractual Obligations

Our subsidiaries and associates lease their manufacturing and administration sites, methanol and marine vessels and shipping facilities under non-cancellable lease arrangements for varying periods. The following table sets forth future minimum lease payments for the Group by year as of March 31, 2017.

Payments due by period			
< 1 Year	2-5 Years	> 5 Years	Total
	(unaudited) *(US$ in thousands)*		
90,734	365,938	606,513	1,063,185

Non-Recognized Contingent Liabilities and Other Obligations

As of March 31, 2017, we had the following non-recognized contingent liabilities and other obligations:

- Our subsidiaries and associates lease their manufacturing and administration sites, marine vessels and shipping facilities under lease arrangements for varying periods and have material lease commitments under various lease agreements.
- MHTL has "take or pay" contracts for most of its gas volumes for the plants and the minimum volumes were all taken during the period. As of March 31, 2017, there were no take or pay obligations outstanding.
- MHTL has material outstanding capital commitments amounting to US$12 million (March 31, 2016: US$11.1 million).
- Firewater LLC has material outstanding capital commitments amounting to US$140.2 million (March 31, 2016: US$210 million).
- Our associates have contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from these contingencies.
- The taxation authorities have conducted corporation tax audits of MHTL and its predecessor companies in respect of several years of income. These audits are at various stages ranging from responses to proposals for material adjustments by the Board of Inland Revenue (the "BIR"), objections to assessments and appeals to the Tax Appeal Board.

  Arising from these audits, material adjustments were proposed, to which MHTL has responded. For some of the audits, assessments were issued to which objections were filed with the BIR, challenging the assessments. Some of the audits have reached the appeal stage and MHTL has filed Notices of Appeal with the Tax Appeal Board challenging the assessments raised.

  MHTL, based on independent professional advice, estimates it is not probable that material additional liabilities in respect of the audits described above are expected to crystallize. CEL (Barbados) concurs with this assumption and has not recorded any provision for this matter.

With reference to the BIR assessment noted above, due to the erroneous nature of some of the items in the assessments, the number of legal entities pre-amalgamation and the various fiscal incentives provided to the respective entities it is not practicable to reasonably quantify the exposure as of the date of this Company Report.

- The BIR conducted corporation tax audits of Caribbean Nitrogen Company Limited for years of income 2006, 2007, 2008, 2009 and 2010. Assessments for 2006, 2007 and 2008 were raised by the BIR of which US$6.0 million (principal) the company disputed and the matter is being taken to the Tax Appeal Board. Assessments were raised for 2009 and 2010 by the BIR amounting to US$3.3 million (principal) and US$7.7 million (principal), respectively, against which the company objected. We are of the opinion that no material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.
- The BIR conducted corporation tax audits of N2000 for the 2007, 2008, 2009, 2010 and 2011 fiscal years. Assessments for 2007 and 2008 raised by the BIR amounted to US$3.2 million (principal), against which the company has appealed to the Tax Appeal Board. Assessments were also raised for the 2009, 2010 and 2011 fiscal years by the BIR in 2015 and 2016 amounting to US$4.1 million (principal) against which the company has objected. We are of the opinion that no material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.
- OMC was exempt from income tax for a period of five years from the date it commenced commercial operations, in accordance with the exemption notification received from the Ministry of National Economy dated November 11, 2004. As per the letter dated December 1, 2013 received from Secretariat General for Taxation (SGT), the OMC's net income derived from its main operating activity shall be exempted from income tax under the Income Tax law from September 1, 2007 to August 31, 2012. Management believes that OMC's commercial operations commencement date was December 7, 2007 and thus the income was exempt from income tax from December 7, 2007 to December 6, 2012.

  OMC's management filed an appeal in the Primary Court, which decided in OMC's favor. However, the SGT has subsequently filed an appeal in the Appeal Court challenging the Primary Court's decision. Management believes it is unlikely any material tax liabilities will arise from SGT's appeal. Accordingly, no provision has been made in the interim condensed consolidated financial statements in connection with the assessments on the profits earned from September 1, 2012 to December 6, 2012.

Off-Balance Sheet Arrangements

As of March 31, 2017, we did not have any off-balance sheet arrangements.

Qualitative Disclosure on Market Risk

We are exposed to financial risks arising from the ordinary course of business, such as credit risks, interest rate risks, currency risks and liquidity risks.

Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only high profile institutions are utilized. We assess the credit quality of customers, taking into account their financial position, past experience and other factors. The carrying amounts of the following assets and liabilities approximate their fair values: cash and cash equivalents, trade and other receivables and trade and other payables.

Interest Rate risk

Our interest rate risk arises from long-term loans from third parties. Notes and other long term loans issued at variable rates expose us to cash flow interest rate risk. Notes and other long term loans issued at fixed rates expose us to fair value interest rate risk.

The floating rate notes and long-term loans are instruments which bear interest at LIBOR, which is variable, plus a fixed margin. As of December 31, 2016, the fair value of this debt is estimated at approximately US$1.2 billion, out of which US$ 193.3 million are floating interest bonds and has been based on the future cash flows discounted using the current market rate for similar debt. The MHTL Loans and the reserve-based credit facility all bear interest risk. As of December 31, 2016, the fair value of this debt is estimated at approximately US$600.2 million.

We have call deposits which are at fixed interest rates and accordingly there is no exposure to interest rate risk.

Currency Risk

We believe we are not exposed to significant foreign exchange risk arising from currency exposure primarily because all receipts by way of equity and all payments are denominated in US dollars. Dividend income and major expenses are denominated in US dollars. Transactions in other currencies are not significant.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of our liquidity reserve (comprising undrawn borrowing facilities and cash and cash equivalents) on an expected cash flow basis. The table below shows the financial liabilities classed by maturity groupings as of December 31, 2016:

	As of December 31, 2016				
	< 1 Year	**1-2 Years**	**2-5 Years**	**> 5 Years**	**Total**
			(US$ in thousands)		
Trade and other payables	143,019	-	-	-	143,019
Borrowings	164,093	122,183	2,276,341	627,486	3,190,103
Derivatives	-	(198)	2,445	-	2,247
Total	**307,112**	**121,985**	**2,278,786**	**627,486**	**3,335,369**

Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

We make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below:

Income Taxes

Some judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. We recognize liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Decommissioning and Dismantlement Costs

We rely on the experience of a related party contractor in estimating decommissioning costs for our plants. As of December 31, 2016, the provision has been estimated using existing technology, at current prices and using discount rates of 4.43% - 4.76% and core inflation rate of 2%.

Property, Plant and Equipment

The carrying value of Property Plant and Equipment is impacted by estimates and assumptions of the useful lives and residual values of our petrochemical plants and the results of any impairment recognized. The above are affected by but not limited to the following factors; natural gas supply, inflation, estimates of future selling prices and discount rates and maintenance programs.

Pension Asset

As of December 31, 2016, the pension asset represented 70% of the surplus of the fair value of the plan assets over the defined benefit obligation which MHTL expects to realize following a winding up of the pension plan. The eventual realization of the surplus is dependent on the decision of the trustees who will who will take into consideration the advice of the actuaries and relevant legislative and statutory bodies. Subsequent to year end, the board has a conditional agreement with the members of the plan subject to approval by the trustees to share the surplus equally between the Group and the plan members.

Provision for Inventory Obsolescence of Inventory Spares

This provision is dependent on assumptions which include technical compatibility or usability, the frequency of movement and age.

Revenue recognition: price adjustments

Adjustments are made in relation to certain related party sales where the final prices are only determined upon sale of the product to third party customers, which is assumed to be at least one month from loading of the delivery vessel. The adjustment is based on the estimated final price, which is determined with reference to market prices after the reporting date.

Business Combinations

Accounting for business combinations is predicated on assessing the fair value, as of the date of the business combination, of a number of items, including the consideration paid for an acquisition and the allocation of the consideration paid to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values. The determination of the fair value of the consideration transferred may include a number of factors including, but not limited to: an assessment of the value of equity interests issued. The determination of many of these factors may require significant management estimates and assumptions and the values of identifiable assets and liabilities may be initially recorded at provisional amounts that are subject to change based on final computations within a period of twelve months as allowed by IFRS.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next ten to twelve years and do not include restructuring activities that we are not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow (DCF) model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by us. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 15 of CEL 2016 Consolidated Financial Statements included elsewhere in this Company Report. Extracts relating to impairment testing of goodwill as of December 31, 2016 are included below.

Impairment Testing of Goodwill

Goodwill acquired in connection with the MHTL Acquisition is allocated to two cash generating units ("CGU")—methanol division and AUM division. These are also the operating units for impairment testing.

Carrying amount of goodwill allocated to each of the CGUs:

	Fiscal Year Ended December 31,	
	2015	**2016**
	(US$ in thousands)	
Methanol division	401,682	401,682
AUM division	112,890	112,890
Total Goodwill	**514,572**	**514,572**

We performed our annual impairment test in December 2016 and considered several factors when reviewing for indicators of impairment. In 2016, these factors included the significant decline in prices in the petro-chemical industry coupled with natural gas curtailments in Trinidad where the CGUs are located. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of certain assumptions. See the CEL 2016 Consolidated Financial Statements included elsewhere in this Company Report for more information.

Methanol Division—Impairment of Goodwill

The recoverable amount of the Methanol cash generating unit ("CGU"), $2.2 billion as of December 31, 2016, has been determined based on the value in use calculation using cash flow projections from financial budgets approved by management covering a ten-year period. This period is used in line with management's

annual, 10 year forecasting timeline. Gas contracts for the methanol plants are set on a plant level. Management prepares budgets with this timeline in mind given the turnaround cycles of each plant are 4-5 years and it is deemed appropriate that at least two cycles ahead should be planned for both financially and operationally. The pre-tax discount rate applied to cash flow projections is 16.1% and cash flows beyond the ten-year period are extrapolated using a 2.5% growth rate, which is within the range of the long-term forecasts for the industry in which the CGU operates. It was thus concluded that the fair value less costs of disposal did not exceed the value in use. As a result of the analysis, management did not identify an impairment for this CGU.

AUM Division—Impairment of Goodwill

The recoverable amount of the AUM CGU, $1.4 billion as of December 31, 2016, has been determined based on the value in use calculation using cash flow projection from financial budgets approved by management covering a twelve-year period. This period is used in line with management's annual, twelve year forecasting timeline. This is to reflect the operational performance of the plants during the period of the current gas contract with the NGC. In addition, management prepares budgets with this timeline in mind given the turnaround cycles of each plant are four to five years and it is deemed appropriate that at least two cycles ahead should be planned for, both financially and operationally. The pre-tax discount rate applied to cash flow projections is 11.5% and cash flows beyond the twelve-year period are extrapolated using a 2.5% growth rate, which is within the range of the long term forecasts for the industry in which the CGU operates. It was concluded that the fair values less costs of disposal exceeded the value in use. As a result of this analysis, management did not identify impairment for this CGU.

BUSINESS

Business Overview

We estimate we are the world's second-largest merchant producer of methanol based on capacity in 2016 and a leading producer of UAN and melamine. As of March 31, 2017, we estimate we had a 9.8% market share of the worldwide methanol market (including full consolidation of OMC and excluding the Chinese market) and, as of March 31, 2017, we estimate we had a 24.2% market share of the UAN merchant market based on capacity. As of March 31, 2017, based on our size and capacity, we supplied methanol, UAN and melamine to over 260 end-customers, which include Fortune 500 companies. Additionally, in 2016 we were the largest importer of methanol by volume into the United States.

We own and operate five methanol plants near MHTL's headquarters in Point Lisas Industrial Estate in Trinidad, providing us with a low-cost production location and global distribution capabilities. We also operate an additional natural gas to methanol plant located in Pampa, Texas. Our M5000 plant is the world's largest stand-alone methanol plant with a design capacity of 1.9 million tonnes per year. We have a total installed methanol capacity of 4.1 million tonnes per year, including our operative facility in Pampa, Texas and we believe that our increasing production capacity has helped us become the world's largest methanol importer into the United States by volume. In addition to producing methanol, in 2010, we diversified our business to also produce urea ammonium nitrate ("UAN"). Our main shareholder, Proman, constructed five of the six facilities. Of our estimated 24.2% UAN worldwide merchant market share, 63.8% was sold to North America and 36.2% to Europe in the twelve months ended March 31, 2017. We further diversified our business into melamine, of which 41.1% of production was sold into the North American market while 58.9% was sold into the European market in the twelve months ended March 31, 2017. Our Ammonia-Urea Ammonium Nitrate-Melamine ("AUM") complex provides for a capacity of 60,000 tonnes of melamine, 1.5 million tonnes of UAN and 647,500 tonnes of ammonia per year, which is mainly used in the production of UAN and melamine.

Methanol is a liquid petrochemical that is an essential building block for numerous industrial and energy-related applications. Methanol is primarily produced using natural gas or, particularly in China, coal feedstocks and is a commodity chemical used to make other chemicals. Primary end uses for methanol include formaldehyde, which is used to produce adhesives for the manufacture of construction-related products, direct fuel applications including gasoline blending, dimethyl ether (DME), biodiesel and methyl tert butyl ether (MTBE, an octane-boosting gasoline additive) and increasingly methanol-to-olefins and methanol-to-propylene applications. UAN is a nitrogen-based liquid fertilizer product that helps to improve crop yields. UAN is produced by combining urea, nitric acid and ammonia and typically has a nitrogen content that ranges between 28% and 32%. Melamine is a white, organic, crystalline compound widely used in the manufacture of plastics, adhesives, countertops, dishware and whiteboards. Melamine is manufactured from urea and, therefore, is rich in nitrogen.

In addition to our methanol, UAN and melamine businesses, we also own equity interests in other companies, providing us with an additional income stream through dividends. As of March 31, 2017, we (i) had 43.47% of the equity interest of MHIL, which in turn owns 60.00% of the equity interests of OMC, (ii) had 30.00% of the equity interests of CNC, and (iii) are the sole shareholder in FS Petrochemicals, whose sole investment is a 30.00% shareholding in N2000. We are also the sole shareholder in MHTL and majority shareholder (77.17%) in G2X, which owns 50.0% of the equity interests in Firewater, which in turn owns 100% of the equity interests in Natgas. Natgas is developing a greenfield methanol production facility in Beaumont, Texas. The Natgas Facility is expected to have a capacity of up to 1.75 million tonnes per annum and is expected to be the United States' largest methanol production facility. The Natgas Facility is strategically located on the Gulf Coast of the United States to take advantage of the expected growing demand for methanol in the United States and other international markets in Europe and Asia. G2X has full control and operational leadership of the Natgas Facility and has the ability to supply cost-advantageous natural gas. An experienced Proman team is supporting the construction activities and transferring their extensive knowledge gained from previous EPC projects. As of March 31, 2017, the Natgas Facility project progress stood at approximately 81.1% with an expected start of production in the fourth quarter of 2017. Assuming full facility capacity (5,000 tonnes/day or 1.75m tonnes/year), a methanol price (US contract price) of US$420/tonne, an EBITDA margin of approximately 40% and excluding any non-recurring costs and expenses related to the construction of the Natgas Facility, we estimate the potential incremental EBITDA contribution of the Natgas Facility to amount to US$300 million.

Our global distribution and supply infrastructure enables us to provide end-customers in the United States as well as in Europe with a reliable and recurring supply of methanol, UAN and melamine. To distribute methanol and UAN, we have contracted a dedicated fleet of 13 ocean-going vessels with a total capacity of 526,153 DWT that are available to us through long-term time charter contracts as of March 31, 2017. Of these, Natgas has chartered two methanol vessels, the "Noble Spirit" and the "Ambassador Norris", which have been sub-chartered

to MHTL from 2016 onwards and have a combined capacity of 90,572 DWT. The addition of these two vessels to our methanol vessel fleet increases our total methanol fleet to a total of ten vessels with a combined capacity of 395,220 DWT. Furthermore, we operate methanol storage facilities at our main facilities in Trinidad, which we own, as well as in North America, Latin America and in Europe, which are leased by SCC and Helm, one of our main shareholders, which together totals 645,700 tonnes. To distribute our other products, UAN and melamine, we also rely on international third-party shipping. In addition, we have chartered three dedicated UAN vessels with a total shipping capacity of 130,933 DWT under long-term charter contracts, of which none is due to expire until 2029. We further own UAN storage facilities in Trinidad and Helm leases storage facilities in the United States and in Europe for our exclusive use with a total storage capacity of 341,000 tonnes

Through strategic partnerships with various distribution companies, we seek to benefit from specific market knowledge for each regional market. Our shareholder Helm, a chemical distribution company located in Germany, is our main distributor for most of our products globally, while in the Americas, we sell methanol and melamine through SCC, in which Helm and Proman hold strategic stakes. In addition, through our end-customer distribution program and our indirect 26.08% ownership interest in OMC, we have expanded our global presence to have better access to the Asian as well as Latin American markets.

In twelve months ended March 31, 2017, we generated net sales of US$780.0 million, EBITDA of US$234.9 million and Adjusted EBITDA of US$275.7 million.

Our History

Proman and Helm, along with Ferrostaal, acquired an ownership interest in methanol facilities in Trinidad in 1994 with the purchase of a stake in the Trinidad and Tobago Methanol Company Limited ("TTMC"). In 1997, the three companies, together with C L Financial Limited ("C L Financial"), purchased the remaining stakes in TTMC from the Government of Trinidad. In addition, C L Financial, Ferrostaal and Proman built the CMC plant which commenced production in 1993. In 1997, MHTL was formed to consolidate the shareholdings and overall management of the existing methanol companies in Trinidad and in 2003, CEL (Barbados) was formed to amalgamate the interest in MHTL. In 2009, C L Financial collapsed and the Government of Trinidad gained control over the stakes of C L Financial and Colonial Life Insurance Company (Trinidad) Limited ("Clico") in MHTL. Three years later, in 2012, Ferrostaal sold its share in CEL (Barbados) to Proman and Helm. Also in 2012, G2X was formed as a spin-off from Accelergy Corporation. G2X began operations with an initial investment from PG Clean Fuels LLC ("PGCF"), a subsidiary of Proman. On October 9, 2014, CEL (Barbados) acquired the remaining 56.53% stake in MHTL from Clico and CL Financial and became 100% shareholder of MHTL.

On May 4, 2016, G2X Energy (Beaumont) LLC ("G2X Energy"), a subsidiary of G2X, acquired a 50% equity interest in Firewater. As of March 31, 2017, CEL held 77.17% of the shares in the G2X.

Our Strengths

The following are our key strengths that we believe will allow us to achieve our goals:

Leading Market Share and Capabilities. We estimate we are the world's second-largest merchant producer of methanol based on capacity in 2016 and a leading producer of UAN and melamine. As of March 31, 2017, we estimate we had a 9.8% market share of the worldwide methanol market (including full consolidation of OMC and excluding the Chinese market) and, as of March 31, 2017, we estimate we had a 24.2% market share of the UAN merchant market based on capacity. As of March 31, 2017, based on our size and capacity, we supplied methanol, UAN and melamine to over 260 end-customers, which include Fortune 500 companies. Additionally, in 2016 we were the largest importer of methanol by volume into the United States. When we commenced operations at our M5000 plant in 2005, which, as of March 31, 2017, was the world's largest stand-alone methanol plant with a design capacity of 5,400 tonnes per day, we significantly increased our methanol production capacity. We believe this has helped us to become the world's largest methanol importer into the United States by volume.

Global Distribution Capabilities. The industries in which we compete are global in nature and our strategic location in the Caribbean coupled with our dedicated fleet of shipping vessels allows us to serve end-customers around the world. Through our direct port access, we are able to provide our products via our vessels to most major seaports in the world. While our proximity to North America and the number of end-customers we serve in North America establishes us as a key supplier in that region, we also easily reach many end-customers on the main methanol markets in Europe. Furthermore, because our vessels have easy access to the Pacific through the Panama Canal, our vessels can also efficiently reach Asia.

Strategic Shareholders and Management Team Focusing on our Industry. Our shareholder Proman has been a part of developing Trinidad's methanol and fertilizer industries for the past three decades. Proman has

designed and built many of our facilities and continues to maintain them. In addition, through its subsidiary Industrial Plant Services Limited ("**IPSL**"), Proman also indirectly operates and manages our facilities in Trinidad. Through our other shareholder, Helm, a major chemical distribution company based in Germany, we have access to a global distribution network and the related expertise. Helm acts directly as our local distributor for methanol, UAN and melamine in Europe and also distributes UAN in the United States. In the United States and Latin America, Helm distributes our methanol and melamine through SCC, in which both Helm and Proman hold strategic stakes. Since 2007, we have also gained valuable experience and established a customer base in South-East Asia and China, which we access directly and through our indirect 26.08% stake in OMC, which sells our products through Helm in Asia.

Because our shareholders know the industry in which we operate and have been actively engaged in our business since we started our operations, we believe that they are best suited to improve the efficiency and effectiveness of our management, operations and sales. Through strategic investments in other companies in the industry, both we and our shareholders are part of a strong international and integrated network that provides us with expertise, support and access to end-customers around the world, which we believe will enhance our operational performance. In addition, our operations in Trinidad are managed by IPSL managers with an average of more than 25 years of experience. We believe that the strategic stakes we and our shareholders hold, as well as our shareholders and management's experience and expertise provide us with key benefits and synergies.

Expertise in Engineering and Construction of Plants. We own and operate five methanol plants near MHTL's headquarters in Point Lisas Industrial Estate in Trinidad and operate a natural gas to methanol plant located in Pampa, Texas. Our M5000 plant is the world's largest stand-alone methanol plant with a design capacity of 1.9 million tonnes per year. Our main shareholder, Proman, constructed five of the six facilities and together with its subsidiaries, manages and executes large EPC contracts in the petrochemical and power industry sectors, provides shipping logistics for its products, operates storage facilities and provides plant operation services. An experienced Proman team is supporting the construction activities of our Natgas Facility in Beaumont, Texas. The extensive EPC expertise that our main shareholder, Proman, has ensures the stable and successful engineering, procurement and construction and ultimate operation of our plants.

Our Strategy

Transform the Group into a Multi-Asset, Multi-Regional Diversified Energy Producer. A central element of our strategy is to transform the Group into a multi-asset, multi-regional and diversified energy producer of more than 10.7 million tonnes of annual methanol, fertilizer and ammonia capacity by the end of 2017. In order to expand our presence in the United States, we acquired a 50% equity interest in Natgas in 2016. Upon completion, which is expected in the fourth quarter of 2017, the Natgas Facility is expected to produce 1.75 million tonnes of methanol per year and also provide us with additional storage, transportation and other logistics support for our existing petrochemical businesses.

G2X, now a subsidiary of CEL, began operating its first methanol plant in Pampa, Texas in the spring of 2015. The Pampa facility, which at full capacity produces 65,000 tonnes of methanol annually, was built to meet growing regional demand for methanol in North Texas and Oklahoma. Moreover, G2X is also developing and constructing a new natural gas to methanol facility in Lake Charles, Louisiana ("Big Lake Fuels"). Big Lake Fuels is being designed to have a daily capacity of 4,100 tonnes of IMPCA specification methanol. At the date of this Company Report, all critical construction permits have been received. Basic site clearing for the construction was completed as of February 2016 and basic engineering for the plant was completed in the fourth quarter of 2016.

In addition, through our long-term engagements with a variety of end-customers in North America and Europe, we generate recurring income streams. Nevertheless, we strive to diversify our end-customer base and gain new end-customers, thereby reducing our dependence on a few large customers and allowing us to reassign our capacities to enhance our profitability. Furthermore, we seek new end-customers not only in markets in which we already are market leaders, but also in new geographic markets, such as Asia and the Latin American markets, specifically Brazil. Through our international and integrated network, including our strategic stakes in OMC and other companies, we focus, in particular, on gaining better access to the Chinese market and reducing our dependence on the markets we already serve.

In the future, we will continue to evaluate methods of expanding our production capabilities and product offerings through organic growth and further strategic acquisitions. We also intend to pursue strategic acquisitions that offer attractive synergies. Additionally, we may seek to optimize our logistical capabilities by leasing additional vessels or storage facilities.

In addition, we further intend to evaluate and pursue acquisition and development opportunities that will enhance our operating platform and increase our ability to provide our products to more end-customers in more markets.

Continue Focus on Achieving Operational Excellence. We strive to further improve our operations at our facilities to achieve operational excellence by implementing our rigorous maintenance program, which is executed by a skilled, experienced and well-trained workforce at regular intervals to ensure reliable and stable operations at our facilities. We believe that our adherence to proactive maintenance programs, including regular maintenance turnarounds every three to four years and the experience of our workforce will minimize unplanned downtime, maintain our facilities' longevity, improve our on-stream factors and let us achieve operational excellence.

Maintain a Conservative Capital Structure and Financial Policy. We are committed to maintaining a conservative capital structure with a targeted prudent leverage ratio of net debt to adjusted EBITDA of 1.5x that affords us the financial flexibility to execute our business strategy. The Group has historically maintained and expects to maintain a conservative debt structure and finance most of its expenditures from internally generated cash flow. In addition, CEL maintains a strong invested capital base with approximately US$3.6 billion invested in property, plant and equipment, as of March 31, 2017.

Alleviate our Reliance on external Gas Supply. Proman through its subsidiary De Novo is developing an offshore natural gas field with the objective of supplying an average of 80,000 MMSCF per day of natural gas to MHTL via the National Gas Company of Trinidad and Tobago ("NGC") as strategic partner holding a 20% interest. We expect the production start to be mid-2018. This quantity will meet approximately 17% of MHTL's natural gas demand and, in addition to gas supply which is expected to be available via the Juniper gas field and other exploration fields in Trinidad (which are expected to come online in 2017-2019), will help alleviate the curtailments that have been experienced by MHTL. We expect that our two methanol facilities, which have been idle since the beginning of 2017, to be restarted in the second half of 2017 and will have stable production in 2018.

Products

Our main products are methanol, UAN and melamine. We also produce ammonia, urea, nitric acid and ammonium nitrate, which we generally use as feedstock in the production of UAN and melamine. Excess ammonia is sold as required and when available.

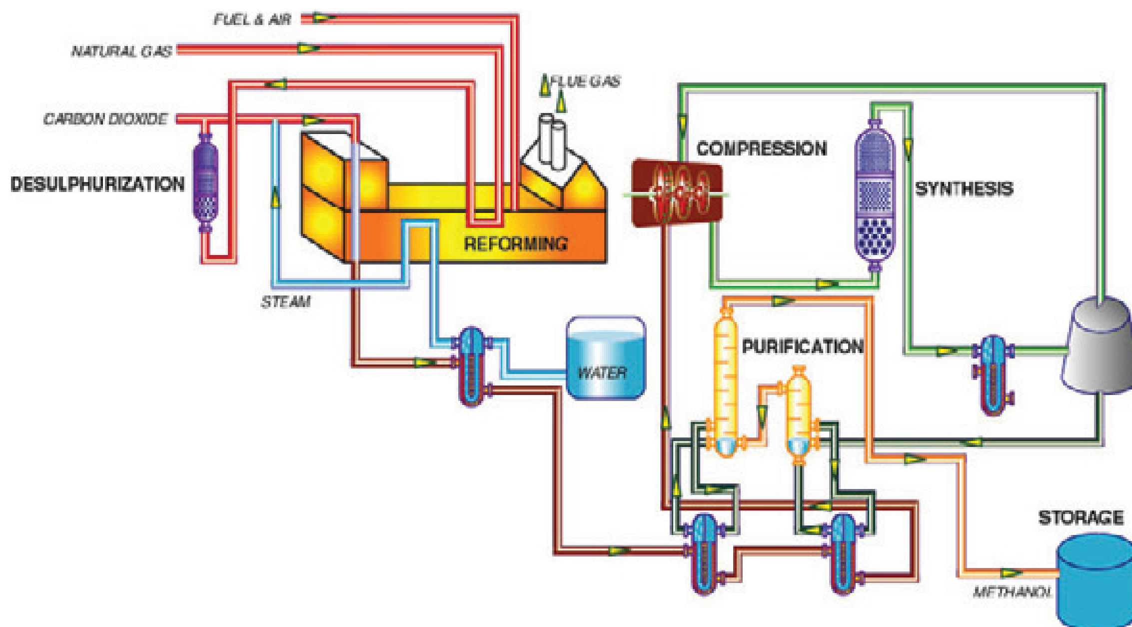
Methanol

Methanol is a liquid petrochemical that is used in a variety of industrial and energy-related applications and is a global commodity. It is an essential building block for numerous end-use products, such as wood products, for example, plywood, particle board and laminates, resins to treat paper and plastic products, paint and varnish removers, solvents for the textile industry and polyester fibers for clothing and carpeting. Furthermore, methanol may also be used as a direct fuel for automobile engines, a fuel blended with gasoline and an octane booster in reformulated gasoline. In addition, methanol is a key product for use in wastewater denitrification, a process by which water polluted by excess nitrates, largely contained in fertilizers, is treated and nitrates are neutralized.

Our Methanol Production Process

We purchase natural gas from the NGC and process the natural gas into synthesis gas, which we then further process in the production of methanol. We store and sell the processed methanol to end-customers for further processing or distribution.

Our methanol production processes are depicted in the following illustration:



Our production process involves multiple steps summarized below:

Feed purification. Our methanol production process starts by purifying natural gas and water. Impurities are reduced to a level where they become undetectable (measureable only in parts per billion). The water is then converted to steam.

Reforming. As a next step, reforming transforms methane and steam into a mixture of carbon monoxide, carbon dioxide and hydrogen, producing synthesis gas (also known as syngas). More carbon dioxide is subsequently added to efficiently produce methanol. This process is carried out in a reformer furnace which is heated by burning natural gas as fuel and is referred to as steam methane reforming, which is also widely used in oil refineries around the world.

Methanol Synthesis. The synthesis gas is then sent to the synthesis reactor, where excess heat is removed and the synthesis gas is compressed. Through the chemical reactions taking place in the synthesis reactor, the synthesis gas is converted into methanol and separated out as crude product with a composition of methanol (68%) and water (31%).

Methanol Purification. The methanol solution is then purified in a topping column and refining column to yield a refined product with a purity of at least 99.85% methanol classified as Grade AA and IPMCA specification refined methanol, which is then stored and finally shipped.

Urea Ammonium Nitrate and Melamine

Since 2010, we also produce UAN, a water solution made by blending urea and ammonia nitrate solution. The product is primarily used in fertilizers, side dressing cotton, vegetables, corn and other crops and we sell approximately 65% in the North American market, which therefore constitutes our primary market for UAN.

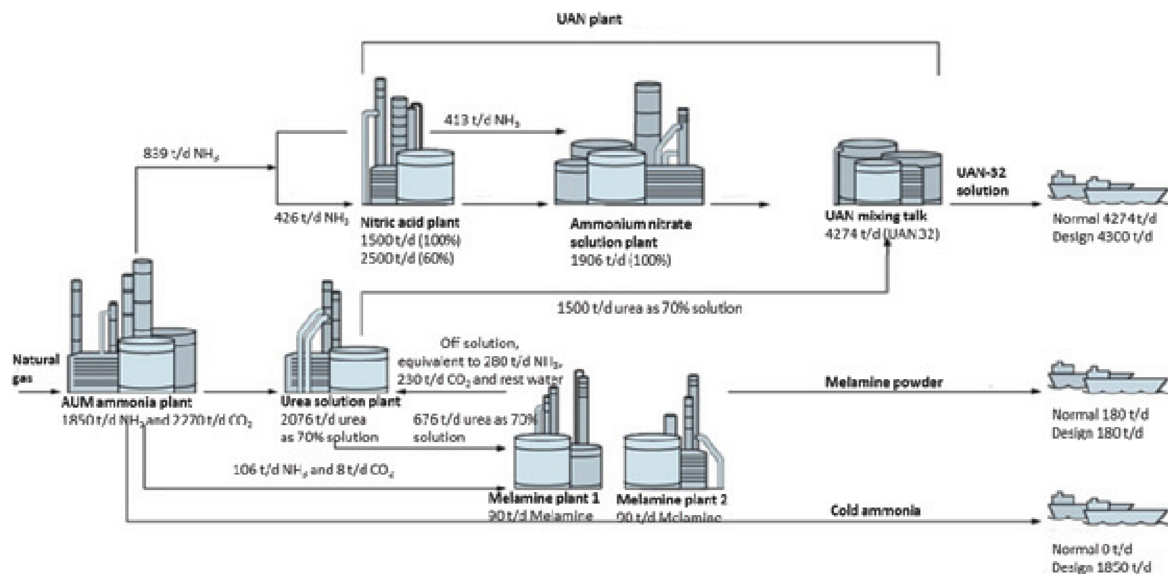
Our melamine production also started in 2010. Melamine has a variety of uses, such as in insulation, fire retardants, colorants and cleaning products. Melamine is predominantly used as a raw material in the form of melamine resin. Melamine resin is a very durable thermosetting plastic used in, amongst others; melamine dinnerware, laminate flooring and dry erase boards.

Our entire ammonia, nitric acid, ammonia nitrate and urea production is intended to be used as feedstock for the production of UAN and melamine.

Our AUM Production Processes

In addition to our methanol production process, we have different processes for the production of ammonia, UAN, urea and melamine, all of which are ammonia-based products. We produce ammonia, UAN, urea, nitric acid, ammonia nitrate and melamine in our AUM complex.

Our AUM production processes are depicted in the following illustration:



Our Ammonia Production Process. Our AUM ammonia plant utilizes KBR's KAAP (KBR Advanced Ammonia Process) licensed technology and has a nameplate capacity of 1,850 tonnes per day. The primary product ammonia is used to manufacture the intermediate products nitric acid and ammonium nitrate solution and together with the by-product carbon dioxide, ammonia is also used to manufacture the intermediate product urea. Ammonium nitrate solution and urea are mixed to produce the end product urea ammonium nitrate (UAN), whereas urea together with small quantities of ammonia and carbon dioxide is also used as feedstock for the production of the end product melamine within our AUM complex. Under normal operation, the plant is designed such that all the ammonia produced is used as feedstock for the production of UAN and melamine. Only ammonia surplus is directed into our storage tanks.

Our Urea Production Process. The urea plant is designed to produce urea solution as feedstock for our UAN plant and our two melamine plants and uses Toyo Engineering Corporation's ACES21 (Advanced Process for Cost and Energy) process. The urea plant uses ammonia and carbon dioxide from our ammonia plant as raw materials for the production of urea solution.

Our UAN Production Process. Our UAN plant, consisting of a nitric acid plant and an ammonium nitrate solution plant is designed to produce 4,300 tonnes of UAN per day utilizing a process licensed from Uhde GmbH. The ammonium nitrate plant includes a mixing unit where the ammonium nitrate solution is mixed with the urea solution received from the urea plant to produce the final UAN product.

Our Melamine Production Process. The melamine plants use a process licensed from Eurotecnica Melamine S.A., a 90% subsidiary of Proman and 10% indirectly owned subsidiary of Helm, by which urea solution feedstock is first concentrated in a two stage vacuum system and then charged to a reactor, where it is converted to melamine. The reactor effluent is quenched with a watery solution: melamine is dissolved in water and then sent to the purification section, while ammonia and carbon dioxide are separated as off-gas. The off-gas of the melamine plants is condensed and then returned as off-solution to the urea plant for recovery. After being purified, melamine is crystallized, separated from mother liquors, dried and then sent to our bagging facilities.

Our Facilities

Point Lisas, Trinidad

We fully own our production facilities which are located at the Point Lisas Industrial Estate, Trinidad. The first plant at this location, the TTMC I methanol plant, started operations in 1984. Between 1993 and 2005, we added four larger capacity methanol plants, including the M5000 plant which, as of March 31, 2017, was the world's largest stand-alone methanol production plant. In 2010, we added our AUM complex and thus diversified our product portfolio. All our facilities in Trinidad currently operate on land leased from the Point Lisas Industrial Port Development Corporation Limited ("PLIPDECO") or on land subleased from NGC. Most agreements have terms of 30 years and may be renewed for an additional 30 years. Except for the land lease agreement for the land on which our CMC plant is located, none of our land lease agreements are set to expire until at least 2030. Our current land lease agreement for the land on which our CMC plant is located is set to expire in 2019 and we intend to seek to renew this lease before its expiration.

Our production facilities are strategically located near to piers and marine facilities which we use to load our vessels. We use these piers under use agreements with NGC and the National Energy Corporation of Trinidad ("**NEC**"). These agreements generally have terms of 15 years with the option to extend the agreements for an additional five years and the first agreement is not due to expire until 2022 if the renewal options are exercised.

Pampa, Texas

We are also the majority owner of our production facilities in Pampa, Texas, which is a natural gas to methanol facility with a methanol capacity of approximately 185 tonnes per day. The plant began operations in the spring of 2015 and is producing primarily for the local market. SCC, a Proman affiliate, offtakes 100% of the methanol produced under a long-term agreement with an initial term of seven years until 2022 and automatic renewal for further periods of three years unless terminated by either party upon one year's notice. About 50% of product methanol is shipped by rail and 50% by truck.

Beaumont, Texas

On May 4, 2016, G2X acquired a 50% equity interest in Natgas to complete the construction of and thereafter operate a 1.75 million tonnes per year methanol production facility (the "Natgas Facility"). As of March 31, 2017, the Natgas Facility project progress stood at approximately 81.12% with an expected start of production in the fourth quarter of 2017.

Lake Charles, Louisiana

G2X also owns 100% of the equity interests in Big Lake Fuels LLC to develop and construct a new natural gas to methanol facility in Lake Charles, Louisiana with a daily capacity of 4,100 tonnes of IMPCA specification methanol. At the date of this Company Report, all critical construction permits have been received and basic site clearing for the construction was completed as of February 2016. Basic site clearing for the construction was completed as of February 2016 and basic engineering for the plant was completed in the fourth quarter of 2016.

Methanol Division

Production Facilities

Combined, our methanol production plants allow us to produce up to 4.1 million tonnes of methanol per year, including our operative facility in Pampa, Texas. During the twelve months ended March 31, 2017, our methanol production facilities produced approximately 2.2 million tonnes of methanol. We expect our methanol production units to each undergo an approximately 28 to 35-day turnaround once every four years.

The following table sets forth our operative facilities' methanol production capacity as of March 31, 2017:

Plant	Year fully commissioned	Nominal Annual Capacity (in thousand tonnes)	Owner
TTMC I	1984	480	MHTL
CMC	1993	525	MHTL
TTMC II	1996	575	MHTL
MIV	1998	575	MHTL
M5000	2005	1,890	MHTL
Pampa Fuels	2015	65	G2X

Storage Facilities

To provide our end-customers with a stable supply of methanol, we use several methanol storage facilities. While we own and operate our largest storage facility located near our production facilities in Trinidad, we also use several storage facilities near our end-customers in North America, Latin America and Europe, which are owned or leased by Helm or SCC.

The following table sets forth our global methanol storage facilities, as of March 31, 2017. If not terminated, lease terms generally renew for an additional year:

Location	Approx. Nominal Storage Capacity (in tonnes)	Lease Expiry Date
Trinidad		
Point Lisas	230,000	Owned by MHTL
Total	**230,000**	
United States		
Wilmington, NC	31,000	2019
Savannah, GA	20,500	2019
Houston (Deer Park), TX	63,000	2016
St. Rose, LA	121,500	2019
Geismar, LA	55,000	2018
Canada		
Quebec City	34,500	2018
Total	**325,500**	
Brazil		
Paranagua	31,500	2019
Santos	4,700	2020
Total	**36,200**	
Europe		
Rotterdam, NL	20,000	2017
Rotterdam, NL	34,000	2017
Huelva, Spain	15,000	2018
Barcelona, Spain	15,000	2018
Total	**84,000**	
Combined Total	**645,700**	

AUM Division

Our AUM division and its facilities are designed to produce 647,500 tonnes of anhydrous ammonia, 1.5 million tonnes of UAN and 60,000 tonnes of melamine annually. During the twelve months ended March 31, 2017, our AUM division produced approximately 0.6 million tonnes of anhydrous ammonia, 1.2 million tonnes of UAN and 0.02 million tonnes of melamine. We expect the facilities in our AUM division to undergo an approximate 30-day turnaround once every three to four years. In 2015, the AUM division experienced several mechanical issues that led to unexpected down time.

The following table sets forth our facility's ammonia, UAN and melamine production capacity as of March 31, 2017:

Location	Nominal Annual Capacity (in tonnes)	Year built	Owner
AUM	647,500 (anhydrous ammonia) 1,500,000 (UAN) 60,000 (melamine)[(1)]	2010	MHTL

(1) Our melamine II plant being idle since January 2015.

Storage Facilities

To provide our end-customers with a stable supply of UAN, we maintain several UAN storage facilities. While we own and operate our largest storage facility located near our production facilities in Trinidad, we also use several storage facilities near our end-customers in North America and Europe, which are owned or leased by Helm or SCC. Our ammonia production is stored at our strategic partners' facilities (CNC and N2000), while our melamine production is stored in our warehouse which can store up to nine days of melamine production output.

The following table sets forth our global UAN storage facilities as of March 31, 2017. If not terminated, lease terms generally renew an additional year:

Location	Approx. Nominal Storage Capacity (in tonnes)	Lease Expiry Date
Trinidad		
Point Lisas	118,000	Owned by MHTL
Total	**118,000**	
United States		
Convent, LA	54,000	2019
Theodore, AL	30,000	2021
Total	**84,000**	
Europe		
Ghent, BE	25,000	2017
Hamburg, DE	24,000	2017
Huelva, ESP	15,000	2018
Barcelona, ESP	15,000	2018
Rouen, FR	60,000	2017
Total	**139,000**	
Combined Total	**342,883**	

Our Vessels

Methanol Division

As of March 31, 2017, we operated ten dedicated methanol vessels with a total capacity of 395,220 DWT under 15 to 20-year time charters together with the two Natgas vessels to deliver our products to our end-customers. Excluding the Natgas vessels MT "Ambassador Norris" and MT "Noble Spirit", our earliest charter contract for the "Caroni Plain", is not due to expire until 2023, whereas our charters for the "Buccoo Reef", "Grand Riviere", "Store Bay" and "Mayaro" are not due to expire until 2030. The largest vessels "San Fernando" and "Pigeon Point" each have a shipping capacity of approximately 48,000 DWT and the four smallest vessels, the "Buccoo Reef", "Grand Riviere", "Store Bay" and "Mayaro" each have a shipping capacity of approximately 31,000 DWT. The frequency of delivery amounts to approximately three shipments per month to North American end-customers and an average of three shipments per month to our European and Latin American end-customers.

In June 2015, Natgas chartered two additional methanol vessels, the "Noble Spirit" and the "Ambassador Norris", which were sub-chartered to MHTL for 2016 onwards and have a combined capacity of 90,572 DWT. The addition of these two vessels to our methanol vessel fleet increases our total methanol fleet to a total of ten vessels with a combined capacity of 395,220 DWT. The charter contract for the "Noble Spirit" and the "Ambassador Norris" expires in 2020.

The following table sets forth the ten dedicated methanol vessels as of March 31, 2017.

Vessel Name	Year built	Capacity (in DWT)	Lease Expiry Date
San Fernando	2005	48,315	2025
Pigeon Point	2005	48,356	2025
Las Cuevas	2000	45,299	2024
Caroni Plain	2008	39,572	2023
Buccoo Reef	2015	30,723	2030
Grand Riviere	2015	30,732	2030
Store Bay	2015	30,711	2030
Mayaro	2015	30,940	2030
Ambassador Norris	2001	45,290	2020
Noble Spirit	2001	45,282	2020

AUM Division

For UAN product shipments, we have three dedicated UAN vessels with a total capacity of 130,933 DWT based on 20-year time charters. The charter contracts for two of the three UAN vessels are not due to expire until 2029 and the third is not due to expire until 2030. The two vessels "Gran Couva" and "Forres Park" each have a shipping capacity of 47,128 DWT each, while the third vessel "Claxton Bay" accommodates 36,667 DWT. On average, two shipments a month depart for North America while one delivery a month is made available to European markets. Through our numerous shipments originating in Point Lisas annually, we are able to offer a constant supply of our products to end-customers around the world.

The following table sets forth the three dedicated UAN vessels as of March 31, 2017:

Vessel Name	Year built	Capacity (in DWT)	Lease Expiry Date
Gran Couva	2008	47,128	2029
Forres Park	2009	47,128	2029
Claxton Bay	2010	36,667	2030

Our ammonia production generally only serves as feedstock for our other plants within the AUM complex but any excess ammonia is transported to N2000 directly via pipeline.

Our melamine production is generally packed in bags, each containing approximately 1,000 kilograms and is then transported via container ships or stored at our warehouse. We do not maintain a dedicated fleet for melamine shipments, but rather ship melamine via regular container ships in the open market.

Raw Materials

Our most important raw material is natural gas. In addition, we also require substantial amounts of carbon dioxide and water. We source our main raw materials and supplies locally and produce certain feedstock necessary for the production of UAN and melamine, *i.e.*, urea, ammonia, nitric acid and ammonia nitrate, ourselves. Trinidad is rich in natural gas and we are able to also source our other raw materials and supplies locally.

Natural gas is the main raw material required in the production of all our products. Our most important supply contracts are with the NGC for natural gas and in the fiscal years ended December 31, 2014, 2015, 2016 and the three months ended March 31, 2017, natural gas costs represented 82.7%, 86.9%, 71.6% and 46.4% of our raw materials and consumables used in 2014 and 2015, and purchase of materials, goods and services in 2016 and the three months ended March 31, 2017, respectively.

Through contractual provisions linking our gas prices to the market prices of our products but subject to a floor gas price and inflation escalator, we have been able to generally hedge our natural gas prices. As a result, higher market prices for our products cause higher natural gas prices and thus higher cost of sales. In turn, subject to the floor gas price and inflation adjustments described above, lower market prices for our products cause lower gas prices and cost of sales. This provides us with our necessary raw materials for the production of methanol, UAN and melamine and, we believe, enables our facilities to be competitive and generate resilient EBITDA margins despite volatile commodity markets.

Carbon dioxide is another important raw material we require in our production processes. While some of the carbon dioxide we use is produced as a by-product in several of our processes, we have also contracted with other local entities to purchase carbon dioxide. In most cases, these entities manufacture carbon dioxide as a by-product for which they have little use. Therefore, our contractual relationships to purchase our suppliers' carbon dioxide are mutually beneficial.

Electricity and water are two additional important supplies in our production process which, given their nature, we must source locally. To satisfy these requirements, we have contracted with the Trinidad and Tobago Electricity Commission for the supply of electricity and the Water and Sewer Authority for the supply of water to our facilities.

Our Employees

As of March 31, 2017, we had 168 employees engaged in the management of the Group. The operation and maintenance of our facilities in Trinidad is executed by IPSL on behalf of the Group and has been since our facilities in Trinidad were built. See "—Material Contracts—Agreements with IPSL." IPSL is a subsidiary of Proman and also operates the CNC and N2000 facilities. We, therefore, benefit from sharing overhead costs for employee management with other companies. As of March 31, 2017, IPSL had 565 full time-equivalent employees engaged at MHTL's facilities.

We have enjoyed a positive working relationship with our employees and the employees of IPSL and management is committed to maintain these relationships going forward. We received regular reports of operations and maintenance to supervise performance and costs and may object to the employment of any key personnel members on any facility to ensure qualified supervision and management of operations on our behalf.

We are subject to several pension obligations, carried over from the former subsidiary company Trinidad and Tobago Methanol Company Limited. Retirement arrangements for us are administered through individual policy contracts.

Our Customers

We sell all our products under off-take agreements to Helm and N2000, who then distribute our products together with SCC and Koch Nitrogen International S.à. r.l. (our "Distributors") to end-customers. While we generally use all of our produced ammonia as feedstock in the production of other products, N2000 has agreed to purchase our surplus ammonia production capacity and we are therefore able to sell any excess ammonia we may produce.

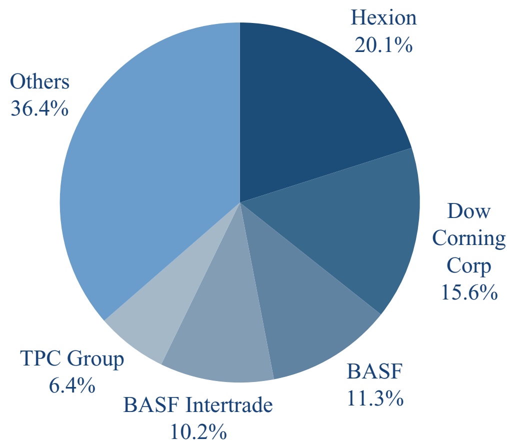
The following table sets forth delivery agreements we have entered into with Helm and N2000 as of March 31, 2017:

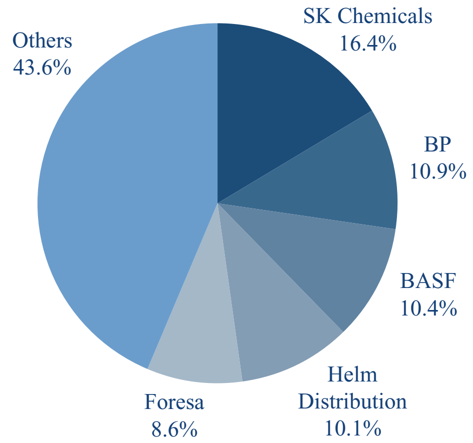
Product	Annual Maximum Quantity (tonnes)	Duration of Contract	Originating Plant	Contractor
Ammonia	120,000	2019 or earlier	AUM	N2000
Melamine	approx. 60,000	2030 (+ 2 year option)	AUM	Helm
Methanol	approx. 4,100,000	2030 (+ 2 year option)	TTMC, CMC, MIV, M5000	Helm
UAN	1,480,000	2030 (+ 5 year option)	AUM	Helm

Methanol Division End-Customers

Through our controlling shareholders Proman and Helm and their connection to SCC (Proman and Helm both hold significant strategic stakes in SCC), which we believe has become a market leader in methanol sales and distribution in North America, we gain access to a large number of end-customers throughout North America. While approximately 51% of our methanol is shipped to North America, we also serve many large end-customers in Europe and other markets, which accounted for approximately 49% of our methanol sales in the twelve months ended March 31, 2017. Our top three end-customers in the same period were SK Chemicals, Hexion and Dow Corning, accounting for 8.0%, 10.3%, and 8.0% of our total methanol sales by volume, respectively.

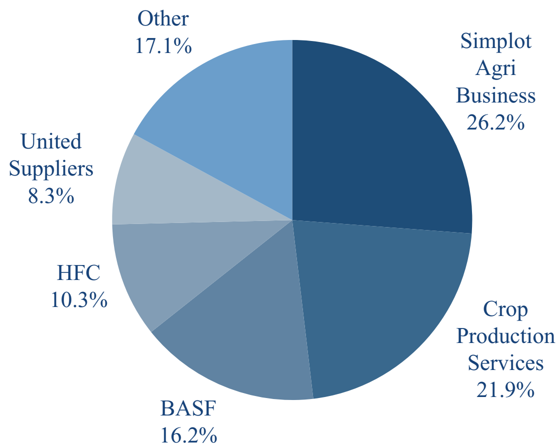
The following charts show a breakdown of our main methanol end-customers in North America and Europe and other markets, for the twelve months ended March 31, 2017:

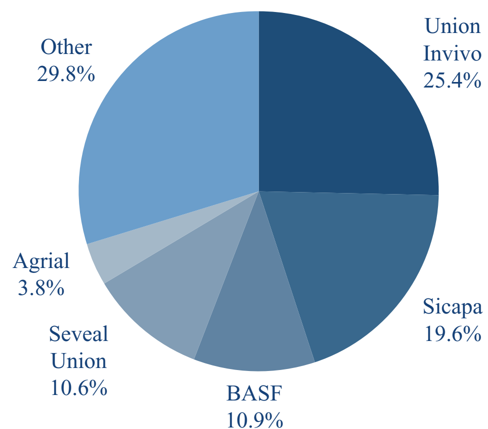




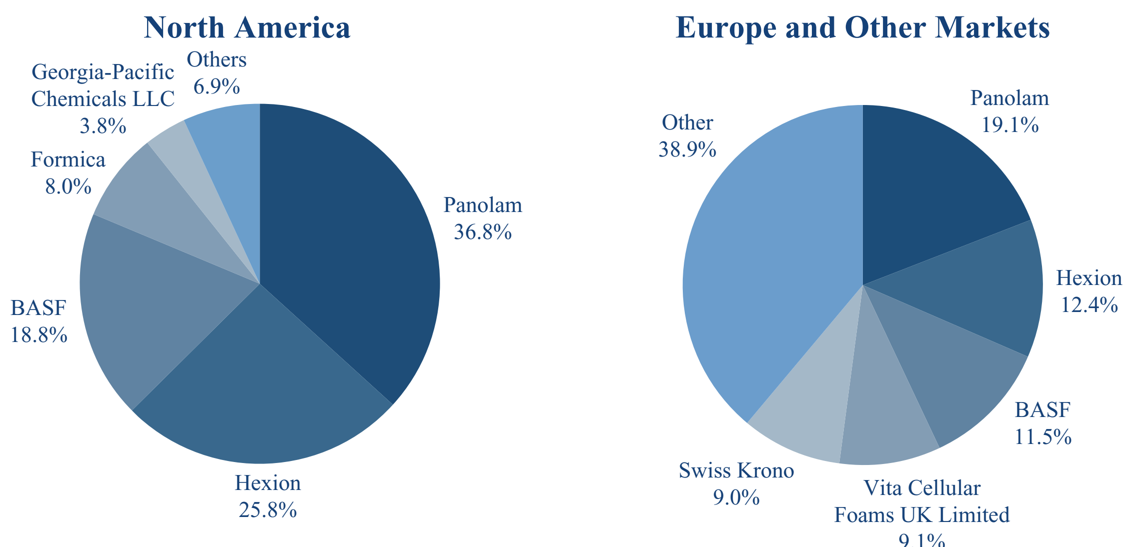
AUM Division End-Customers

Our production of UAN and melamine is also directly purchased and distributed by Helm and SCC to end-customers. For the twelve months ended March 31, 2017, our top three UAN end-customers were Simplot Agri Business, Crop Production Services and CHS, accounting for 16.5%, 13.8% and 10.2% of our total UAN sales by volume, respectively. The following charts show a breakdown of our main UAN customers in North America and Europe and other markets:





For the same period, our top three melamine end-customers were Panolam, Foresa, Hexion and, accounting for 14.8%, 11.2% and 10.4% of our total melamine sales by volume, respectively. The following charts show a breakdown of our main melamine customers in North America and Europe and other markets:



Competition

We operate in highly competitive industries. Our products are global commodities and we compete with a number of foreign producers of methanol, UAN and melamine. In addition, a long period of stable and low natural gas prices in the United States has made it economical for companies to upgrade existing plants and initiate construction of new methanol and nitrogen projects. In addition, some of our competitors, such as Methanex, LyondellBasell and Celanese, have relocated, restarted or constructed methanol plants in the US Gulf Coast region over the past few years, which directly compete with our facilities. In addition, for example, C F Industries has significantly increased its production of UAN in Louisiana. Our direct port access and dedicated loading facilities provides us with a competitive advantage over other suppliers, especially when their distribution is dependent on pipelines.

We believe that as of March 31, 2017, our main competitors in the methanol industry were Methanex, Mitsubishi, Statoil, Mitsui, Ampco-Solvadis and Vitol, our main competitors in the UAN industry were CF Industries, Agronova and Eurochem and our main competitors in the melamine industry were OCI, Borealis, Pulawy, Eurochem and Cornerstone.

In 2015, multiple new methanol plants came online, adding a total production output of 3.5 million tonnes annually. One of the new methanol plants was built in the United States by Celanese/Mitsui, a joint venture between two of our competitors in the North American market.

Marketing and Sales

We market our methanol, UAN and melamine production through Helm, one of our principal shareholders and a major chemical distribution company based in Germany. Helm, in turn, sells our products to the North American market through the Caribbean Petrochemical Company which has contracts with the North American chemical distributor SCC for the sale of our methanol and melamine products into that market and Latin America. See "—Material Contracts—Off-Take Agreements with Helm."

Seasonality and Volatility

The seasonality of our UAN business largely tracks the seasonality of the fertilizer business in the United States. The fertilizer business is seasonal, based upon the planting, growing and harvesting cycles. Inventories must be accumulated to allow for customer shipments during the spring and fall fertilizer application seasons, which require significant storage capacity. The accumulation of inventory to be available for seasonal sales requires fertilizer producers to maintain significant working capital. This seasonality generally results in higher fertilizer prices during peak periods, with prices normally reaching their highest point in the spring, decreasing in the summer and increasing again in the fall. Fertilizer products are sold both on the spot market for immediate delivery and under product prepayment contracts for future delivery at fixed prices. The terms of the product prepayment contracts, including the percentage of the purchase price paid as a down payment, can vary from season to season. Variations in the proportion of product sold through forward sales and variations in the terms of the product prepayment contracts can increase the seasonal volatility of fertilizer producers' cash flows and cause

changes in the patterns of seasonal volatility from year–to–year. Nitrogen fertilizer prices can also be volatile as a result of a number of other factors, including weather patterns, field conditions, quantities of fertilizers imported to the United States, current and projected grain inventories and prices and price fluctuations in natural gas prices. In addition, governmental policies may directly or indirectly influence the number of acres planted, the level of grain inventories, the mix of crops planted and crop prices.

Our melamine business is subject to regional seasonality factors. In both Europe and North America, product offtake increases with construction activity, typically within the second and third quarter of a year. Melamine supplies tightened in early 2010 when world consumption accelerated, responding to recovering economies. In the Asia-Pacific region, markets have, in the past, remained subdued by an uncertain economic outlook that continuously weighs down market sentiment despite China being the largest single participant in the melamine market. The North American market is dependent on outside supply leading to more sensitive market conditions and higher prices for the product than in Europe. The melamine market pricing is, as it consists of other commodities such as ammonia or urea, dependent on commodity availability and pricing.

While most of our methanol is sold pursuant to long-term contracts based on market index pricing and fixed volumes, the market price of methanol is volatile. Methanol is an internationally traded commodity chemical and the methanol industry has historically been characterized by cycles of oversupply caused by either excess supply or reduced demand, resulting in lower prices and idling of capacity, followed by periods of shortage and rising prices as demand exceeds supply until increased prices lead to new plant investment or the restart of idled capacity. Methanol prices have historically been cyclical and sensitive to overall production capacity relative to demand, the price of raw materials (primarily natural gas or coal), energy prices and general economic conditions.

The following table sets forth changes in average market prices over the years 2014, 2015 and 2016.

Product	2016 Actual in US$/tonne	2015 Actual in US$/tonne	2014 Actual in US$/tonne	2016 % change over 2015	2015 % change over 2014
Methanol	US$267	US$386	US$521	(31%)	(25.9)%
UAN	US$174	US$225	US$286	(23%)	(21.3)%
Melamine	US$1,202	US$1,069	US$1,373	12%	(22.1)%

Health and Safety

The production of our products, which is carried out on a 24-hour basis, involves highly complex and costly equipment handling highly flammable and toxic material and operating at high temperatures, pressures and speeds. These critical operating parameters provide an increased potential for loss—both in terms of injury to personnel and economic loss because of equipment damage and loss of production.

Due to the magnitude of potential losses, should such an event occur, safety and emergency response is a top priority in the operation and management of our facilities. To ensure the health and safety of employees and minimize impact on the environment, we have established a risk management department charged with monitoring the overall safety of our facilities and compliance with any relevant regulations.

A holistic approach protecting the five key facets of our business—people, property, the environment, liability issues and business income—is adopted in our operations, as evidenced by several initiatives performed both at the design and construction phase and continued into the on-going life of our facilities.

Our facilities are designed to the most stringent codes and standards that govern plant construction and quality control procedures we strive to ensure that they are strictly adhered to. During the construction phase, Environmental Impact Assessment (EIA) and Risk Assessment (RA) studies are performed in accordance with the approval processes. Throughout the design phase and once construction is complete, safety reviews and Hazard & Operability Studies (HAZOP) covering all areas of the plant are carried out to identify and rectify potential hazards in order to improve safety and operability. High priority is also given to ensuring that construction and plant equipment are in accordance with the design specifications. Employees are also actively involved in preparing safety, operating, maintenance and emergency procedures prior to starting production in any new facility.

We have also kept up to date with relevant international developments applicable to all facets of our business. We were among the first in our industry in Trinidad to be certified to the ISO 9002:1994 Quality Management System with other companies following. In Trinidad, we have also been certified to the ISO 9001:2008 standard and successfully passed the recertification of our methanol facilities in 2012. Furthermore, our US-based Process Safety Management System is built on the ISO 14001 Environmental Management System.

We have also implemented a variety of initiatives to improve health and safety at our facilities, such as providing training and safety information to employees, establishing detailed written instruction for employees and providing standard operation procedures, systematically monitoring our equipment, emergency planning and response plans and thoroughly investigating any incidents at our facilities.

IPSL measures our operational safety using days without Lost Time Incidents. A "Lost Time Incident" is generally defined as an incident at our facilities that causes an employee to be unable to work during his next shift or on the next working day. As of March 31, 2017, our Methanol division had operated 960 days without a Lost Time Incident and our AUM division had operated 690 days without a Lost Time Incident.

Environmental Matters

The principal method used today for the production of methanol is the low pressure methanol synthesis process, which is the process that we employ in Point Lisas and Pampa. This process is clean, with minimum waste products being generated. Similarly, the processes we employ at our AUM complex result in minimum waste products being generated. Wherever such waste is generated, systems are in place to assure proper disposal.

We have opted to take a proactive approach and be self-regulating in areas where there is an absence of legislated regulations regarding effluents discharged from the manufacturing process. Nevertheless, we require numerous permits and authorizations. Failure to comply with these permits or environmental laws generally could result in substantial fines, penalties or other sanctions, court orders to install pollution-control equipment, permit revocations and facility shutdowns. In addition, environmental, health and safety laws may impose joint and several liability, without regard to fault, for clean-up costs on potentially responsible parties who have released or disposed of regulated substances into the environment. We may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt our operations and limit our growth and revenue. Private parties, including the owners of properties adjacent to other facilities where our wastes are taken for disposal, also may have the right to pursue legal actions to enforce compliance as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property or natural resource damages. In addition, the risk of accidental spills or releases could expose us to significant liabilities that could have a material adverse effect on our business, financial condition or results of operations.

The laws and regulations to which we are subject are complex, change frequently and have tended to become more stringent over time. The ultimate impact on our business of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that our operations may change over time and certain implementing regulations for laws have not yet been finalized, are under governmental or judicial review or are being revised. These laws and regulations could result in increased capital, operating and compliance costs.

Our facilities have experienced some level of regulatory scrutiny in the past and we may be subject to further regulatory inspections, future requests for investigation or assertions of liability relating to environmental issues. In the future, we could incur material liabilities or costs related to environmental matters and these environmental liabilities or costs (including fines or other sanctions) could have a material adverse effect on our results of operations and financial condition.

The principal environmental regulations and risks associated with our business are explained in "*Regulatory Framework*." We believe that we are in material compliance with all of these environmental regulations.

Intellectual Property—Patents and Licenses

We currently do not own any patents but have acquired the rights to use certain production processes at our facilities under license from the license holders. These licenses are for use of the Imperial Chemical Industries' process for methanol production, the Eurotecnica melamine production process, the Uhde UAN production process, the Toyo urea production process and the KBR ammonia production process. Any technological advances we make on any of these production processes must be communicated to the respective license holders and made available to them.

Information Technology

The IT infrastructure employed by us is characterized by a high level of standardization. Our IT systems and application landscapes rely heavily on JD Edwards (Oracle) software. Our IT systems in Trinidad are maintained by IPSL and external contractors.

Insurance

We maintain insurance to cover risks associated with the ordinary operation and course of our business, including general liability, terrorism and marine cargo liability. We insure our plants against hazards such as fire,

explosion, flood, mischief, accidents and terrorism. Terminal operations and cargo shipments are insured under primary and excess liability insurance and general cargo and terrorism policies, respectively.

All of our policies are underwritten with reputable insurance brokers, such as Marsh and AON, and we conduct periodic reviews of our insurance coverage, both in terms of coverage limits and deductibles. We consider all of our insurance coverage, including our P&I charterers liability, to be sufficient for the risks associated with our operations.

Legal Proceedings

We are and will continue to be, subject to various claims, legal actions and administrative proceedings, including insurance claims, from time to time in the ordinary course of our business. We are not party to any pending legal proceedings that we believe will have a material adverse effect on our business and there are no existing legal proceedings where we believe that the reasonably possible loss or range of loss is material.

Material Contracts

Off-Take Agreements with Helm

We have entered into three take or pay product sales agreements with Helm. These agreements currently guarantee the overall off take of 100% of our annual maximum production capacities, with the exception of AUM excess ammonia production, which is sold to N2000, as of March 31, 2017. The agreements provide that Helm takes off methanol, UAN and melamine on a take or pay basis and flexible pricing, up to approximately the total annual maximum production capacity of each plant. In the twelve months ended March 31, 2017, we sold nearly all of our production of methanol, UAN and melamine to Helm.

These agreements are take or pay agreements requiring Helm to either take any quantity of the products within the agreed maximum quantity made available and pay the agreed price or, pay the average price of purchases in the past year for any products offered to the buyer but not accepted by the buyer. Helm, subject to our consent, may agree with end-customers on terms such as price and quantity, which we then will provide to Helm under the off-take agreements at price levels set between Helm and our end-customers.

All agreements are renewable and none is due to expire until at least 2030. Additionally, if, contrary to current conditions, any duty or tariff of any kind is imposed upon the importation of methanol or melamine from Trinidad to European Union member states or to the United States, we, but not Helm, have a termination right to avoid uneconomical sales.

Agreements with IPSL

We have entered into two agreements with IPSL, a Trinidadian company and subsidiary of Proman, for the operation and management of our methanol and AUM facilities, respectively. IPSL, in alignment with MHTL's strategy, employs a core skilled workforce and outsources other labor to assist with production and maintenance activities. IPSL is contractually required to provide qualified and experienced personnel for all duties required to be carried out under the contract, which includes every aspect of operations and maintenance. To satisfy this requirement, IPSL is also entirely responsible for the recruitment and selection of appropriate personnel. While IPSL is fully responsible for management, operations and maintenance of MHTL's facilities, we must be informed of any intended staffing changes. IPSL is furthermore required to use its best efforts to maintain good labor relations to avoid conflict, interference, delay or interruption in the performance of any activities carried out at MHTL. The methanol and the AUM facilities contracts have an initial term of eight and ten years, respectively, but are renewed for additional five-year terms until they are terminated by either party giving appropriate written notice.

Vessel Time Charter Agreements

As of March 31, 2017, we have entered into thirteen agreements for the time charter of vessels to transport methanol and UAN from our production facilities in Trinidad and the United States to our end-customers. These agreements make us independent of third-party logistics providers and allow us to control the distribution process from our facilities to our end-customers. For detailed information on these vessel time charter agreements, see "—Our Vessels."

Pier Use Agreements

We have entered into multiple use agreements with NGC and NEC to use piers and marine facilities at Point Lisas for the docking and loading of vessels. Under these agreements, we pay fixed fees based on the production capacities of our facilities and variable fees based on the amount of products we ship from the piers. These use agreements do not entitle us to exclusive use of the piers and docking facilities and we must share these facilities with other users. The pier use agreements generally have terms of 15 years with the option to extend the agreements for an additional five years. These agreements do not expire prior to 2022.

In addition, Natgas has entered into a terminal services agreement with Phillips 66 Gulf Coast Properties LLC and a pipeline transportation services agreement with Phillips 66 Pipeline LLC (together, the "P66 Agreements" and "Phillips 66") for the required outbound logistics of the methanol produced by the Natgas Facility. Under the P66 Agreements, Phillips 66 is required to (i) construct, operate and own three new methanol storage tanks, each with a storage capacity of 400,000 barrels or approximately 50,000 tonnes at their Beaumont terminal for the transportation and loading of methanol and (ii) construct approximately seven miles of pipeline from the Natgas Facility site to their Beaumont terminal for the transportation of methanol. The Phillips terminal will be equipped for the loading of methanol onto deep-sea marine vessels and barges. The initial term of the P66 Agreements will be 15 years.

For further information, see "—Our Facilities."

Land Lease Agreements

We and our predecessors have entered into multiple land lease agreements for the land on which our production facilities are located. Most of these agreements are for original terms of 30 years with the option to renew the land lease agreements for an additional 30 years. All land lease agreements are generally entered into with the owner of the land, PLIPDECO, except for one sublease which we entered into with NGC that rented the land from PLIPDECO. Except for one land lease agreement, none of the land lease agreements are set to expire until at least 2030. One land lease agreement is set to expire in 2019 and relates to the land on which our CMC facility is built and we intend to seek to renew this agreement before it expires. For further information, see *"—Our Facilities*."

REGULATORY FRAMEWORK

Trinidad

The regulatory bodies that have authority over us include, among others, the Ministry of Energy and Energy Industries, the Environmental Management Authority, the Town and Country Planning Division, the Water and Sewage Authority, the Commissioner of State Lands, the Trinidad and Tobago Electricity Commission, Director of Surveys and Regional Corporations. Rules and regulations issued by these authorities are often onerous and costly to implement and carry substantial penalties for noncompliance. Many permits and regulatory approvals from these and other Trinidad governmental bodies are required for our existing facilities and our capital projects. Some permits and approvals that have been obtained are subject to certain conditions while others that are still outstanding may, when issued, be subject to conditions.

The formulation and administration of environmental policy in Trinidad is the responsibility of the Environmental Management Authority. The Environmental Management Act, Chap. 35:05 establishes environmental regulations for industries in Trinidad; however, greater regulatory responsibilities have been placed on the energy industry in Trinidad. We expect environmental regulations more stringent than the ones currently in effect to be promulgated and become effective in the near term and expect that both its current operations and sites and plants will be affected by these regulations. We believe that grace periods and exemptions under these regulations will lessen the impact of these regulations, although there can be no assurance that this will be the case. We are in compliance with current regulations and are instituting programs to comply with future requirements.

We recognize our obligation to operate in a manner that emphasizes the preservation of human health, environmental protection, operational safety and community goodwill. Our long-term business success requires that we commit to the principles of sustainable development and management of all our associated risks; giving prime consideration to our employees, stakeholders and the communities within which we exist.

Programs

We have implemented programs to ensure that we are in compliance with the requirements of current occupational safety and health and environmental regulations and those we expect to be implemented in the near future.

Environmental Clearance

The Group's business falls within Activity 19 of the Certificate of Environmental Clearance ("CEC") (Designated Activities) Order, 2001 (*i.e.*, the establishment of a facility for the manufacture of petrochemicals) and therefore a CEC is required from the Environmental Management Authority ("EMA") for the construction and operation of its plants.

The CEC sets out terms governing the construction and operation of the plants.

Air Pollution

The Air Pollution Rules establishes permissible levels of specific air pollutants in Trinidad and seeks to manage those air pollutants which are considered to have the greatest potential to cause harm to human health and the environment. Pursuant to the Air Pollution Rules, MHTL has applied for a Source Emitter Registration Certificate for each of its plants. The Air Pollution Rules also provide that an operator shall not permit the release of any prescribed substance that causes the maximum permissible level set out in the Rules to be exceeded; or where a stack exists, any prescribed substance or parameter that causes the maximum permissible levels set out in the Rules to be exceeded, unless in either case the operator holds a permit to do so.

Occupational Health

IPSL's medical surveillance program forms part of an overall Integrated Occupational Health and Safety Program and is built to exceed the requirements of the Occupational Safety and Health Act of Trinidad, Chap. 88:08. All IPSL employees have completed a mandatory baseline program to make them aware of all relevant laws, regulations and internal safety protocols and undergo regular medical and drug testing.

Noise Pollution

The Noise Pollution Control Rules divide the country into three zones; (i) Zone I—industrial areas; (ii) Zone II—environmentally sensitive areas; and (iii) Zone III—the general area. The MHTL project site (*i.e.*, the Point Lisas Industrial Estate) is considered a zone I area.

The rules prescribe certain maximum permissible sound pressure levels for each zone. No person may emit a sound that causes the sound pressure level to rise above the permissible level. Where a person plans to emit a sound in excess of the permissible level, an application to the EMA for a "variation" must be made.

In industrial areas, the sound pressure level may not at any time exceed the equivalent continuous sound pressure level of 75 dBA or an instantaneous unweighted peak sound pressure level of 130 dB (peak).

Water Pollutants

A person who intends to release, from an industrial or other registrable facility, a water pollutant that is likely to cause harm to human health or the environment is required to submit a source application to the EMA. If the application is accepted, the EMA will issue a registration certificate to the applicant allowing it to continue operations.

Where a person releases water pollutants into a receiving environment in excess of the "permissible level," which means the minimum quantities and parameters set out in the Second Schedule to the Water Pollution Rules, which is likely to cause harm to human health or the environment, it should (or can be directed by the EMA to) apply for a permit for the purposes of regulating the release outside the permissible levels in accordance with the terms and conditions of the permit.

Toxic Chemicals

Under the Pesticides and Toxic Chemicals Act, Chap. 30:03 a "toxic chemical" is defined to mean any chemical, other than a pesticide, antiseptic, disinfectant, drug or preservative, which through its chemical action on life processes can cause death, temporary incapacitation or permanent harm to humans or animals, and includes all such chemicals irrespective of their origin or method of production or use. A person cannot manufacture, import, export, sell, use, store in marketable quantities or transport a "controlled product" (*i.e.*, any pesticide or toxic chemical) unless the controlled product is registered as prescribed in the Toxic Chemicals Act.

Similarly, a person cannot import a controlled product unless he holds an import license in the manner prescribed; cannot store a controlled product in marketable quantities unless the premises are registered in the manner prescribed; cannot manufacture, import, export, use, store in marketable quantities, dispose of or transport a controlled product unless the person does so in the manner prescribed.

The Toxic Chemical Regulations provide further details on the procedure for the necessary registrations and also for the license applications. The Toxic Chemical Regulations also require that a person seeking to export a toxic chemical first obtain an export license. Methanol, ammonia and urea are all expressly listed to be "toxic chemicals" under the Toxic Chemicals Regulations.

Licenses and Permits

Petrochemical License

The Petroleum Act, Chap. 62:01 requires all persons proposing to carry out petroleum operations (which includes the manufacturing and marketing of petrochemicals) to first obtain the appropriate license under the Petroleum Act and Petroleum Regulations. The term "petrochemicals" as defined by the Petroleum Act means "such chemical compound or a mixture of such compounds manufactured from petroleum or petroleum products as is prescribed by Order made by the Minister."

To date it does not appear that any order prescribing petrochemicals has been made by the Minister of Energy and Energy Industries and as such although the Petroleum Regulations provide for the possible issuance of Petrochemical Licenses, it may be that the Group cannot be issued such a license unless and until the chemicals it manufactures are classified as a "petrochemical" by Ministerial Order. The practice in the past has been to obtain a letter from the Ministry of Energy and Energy Industries confirming the above and assuring the issue of a License when legally possible to do so.

Pipeline License

As noted above, there is a lack of clarity as to whether or not methanol and the other petrochemicals produced by the Group would be considered a petroleum product, a petrochemical or perhaps both. If not considered to be a petroleum product, it appears that a pipeline license would not be required under the Petroleum Act. It is however likely that the Ministry of Energy will, in practice, consider the petrochemicals being produced by the Group as petroleum products requiring a pipeline license.

The Petroleum Act requires all persons proposing to carry out petroleum operations to first obtain an appropriate license under the Petroleum Act and Petroleum Regulations. Petroleum operations (as defined by the Petroleum Act) include the "transporting and marketing of petroleum or petroleum products". There is no corresponding license requirement for transporting and marketing "petrochemicals."

The Petroleum Regulations also expressly make provision for a "Pipeline License." Where any pipeline is to be laid across a road, waterway, railway or upon or under the surface of the sea, the Minister of Energy and

Energy Industries is obligated to consult with appropriate Government Ministries and/or Departments and any relevant Statutory Authorities to ensure the road, waterway, rail, sea or harbor are not rendered unsafe, contaminated or polluted. If the Minister receives an objection to the application from such Ministry, Department or Authority the application will be rejected.

In addition, a pipeline may not be enlarged or substantially altered without the permission of the Minister of Energy and Energy Industries.

Construction Permits

In respect of the construction of each plant, Outline and Final Planning Approvals are required. The following additional approvals are required:

- Grant of a Certificate of Environmental Clearance from the Environmental Management Authority in respect of the construction works
- Approval of the Institute of Marine Affairs
- Approval of the Fire Department
- Approval of the Ministry of Works
- Approval of the design plans for the plant from the Couva-Tabaquite-Talparo Regional Corporation
- Approval of the Civil Aviation Authority
- Completion Certificate of the Couva-Tabaquite-Talparo Regional Corporation
- Approval of the Water and Sewerage Authority
- Approval of the Trinidad and Tobago Electricity Commission (including the grant of a license for private installation of a generator)
- Approval of the Factory Inspectorate
- Approval by the Ministry of Energy and Energy Industries with respect to the safe storage of petroleum under the Petroleum (Testing, Storage, Etc.) Regulations, Chap 62:01
- Grant of a license from the Ministry of Public Utilities in respect of the establishment, operation or use of radio-communication services and equipment

Foreign Investment License

In respect of a private company, the issue or transfer of shares to a foreign investor (as defined in the Foreign Investment Act, Chap. 70:07) requires the submission of a notice in the prescribed form to the Minister of Finance together with evidence of the payment for the shares in an internationally traded currency through a person authorized by law as a dealer in that foreign currency.

In the event that the Group itself is a Foreign Investor by virtue of its control by Foreign Investors, it requires a License to acquire and hold land in excess of five (5) acres for the purpose of a trade or business.

Work Permits

Work Permits/Visas are required for any non-national/non-resident workers employed by the company or working for contractors contracted to the company save for individuals who enter and work for no more than 30 days (one visit) in any twelve-month period.

United States

Environmental Matters

The Group’s business is subject to extensive and frequently changing federal, state and local, environmental, health and safety regulations governing the emission and release of hazardous substances into the environment, the treatment and discharge of waste water and the storage, handling, use and transportation of our methanol and ammonia. These laws include the Clean Air Act (the “CAA”), the federal Water Pollution Control Act (the “Clean Water Act”), the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act (the “CERCLA”), the Toxic Substances Control Act, the Endangered Species Act, the Marine Protection, Research and Sanctuaries Act (the “Ocean Dumping Act”) and various other federal, state and local laws and regulations. These laws, their underlying regulatory requirements and the enforcement thereof impact us by imposing:

- restrictions on operations or the need to install enhanced or additional controls;
- the need to obtain and comply with permits and authorizations;

- liability for the investigation and remediation of contaminated soil and groundwater at current and former facilities (if any) and off-site waste disposal locations;
- specifications for the products we market, primarily methanol and ammonia; and
- limitations on the construction and development of certain properties.

The Group's operations require numerous permits and authorizations. Failure to comply with these permits or environmental laws generally could result in substantial fines, penalties or other sanctions, court orders to install pollution-control equipment, permit revocations and facility shutdowns. In addition, environmental, health and safety laws may impose joint and several liability, without regard to fault, for cleanup costs on potentially responsible parties who have released or disposed of hazardous substances into the environment. We may experience delays in obtaining or be unable to obtain required permits, which may delay or interrupt our operations and limit our growth and revenue. Private parties, including the owners of properties adjacent to other facilities where our wastes are taken for disposal, also may have the right to pursue legal actions to enforce compliance as well as to seek damages for non-compliance with environmental laws and regulations or for personal injury or property or natural resource damages. In addition, the risk of accidental spills or releases could expose us to significant liabilities that could have a material adverse effect on our business, financial condition or results of operations.

The laws and regulations to which we are subject are complex, change frequently and have tended to become more stringent over time. The ultimate impact on our business of complying with existing laws and regulations is not always clearly known or determinable due in part to the fact that our operations may change over time and certain implementing regulations for laws, such as the CAA, have not yet been finalized, are under governmental or judicial review or are being revised. These laws and regulations could result in increased capital, operating and compliance costs.

The principal environmental regulations and risks associated with our business are outlined below.

The Federal Clean Air Act

The CAA and its implementing regulations, as well as the corresponding state laws and regulations that regulate emissions of pollutants into the air, affect us through the CAA's permitting requirements and emission control requirements relating to specific air pollutants, as well as the requirement to maintain a risk management program to help prevent accidental releases of certain substances. Some or all of the standards promulgated pursuant to the CAA, or any future promulgations of standards, may require the installation of controls or changes to existing facilities in order to comply. If new controls or changes to operations are needed, the costs could be significant. In addition, failure to comply with the requirements of the CAA and its implementing regulations could result in fines, penalties or other sanctions.

Release Reporting

The release of hazardous substances or extremely hazardous substances into the environment is subject to release reporting requirements under federal and state environmental laws, including the Emergency Planning and Community Right-to-Know Act. Each such releases is required to be reported to the federal Environmental Protection Agency (the "EPA"), TCEQ and other relevant state and local agencies as required by applicable laws and regulations. If we fail to properly report a release, or if the release violates the law or our permits, it could cause us to become the subject of a governmental enforcement action or third-party claims. Government enforcement or third-party claims relating to releases of hazardous or extremely hazardous substances could result in significant expenditures and liability.

Discharge into US Waters

The Clean Water Act (the "CWA") and analogous state laws impose restrictions and strict controls with respect to the discharge of pollutants, including spills and leaks of oil and other substances, into waters of the U.S. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or an analogous state agency. The CWA and regulations implemented thereunder also prohibit the discharge of dredge and fill material into regulated waters, including wetlands, unless authorized by an appropriately issued permit. In addition, the CWA and analogous state laws require individual permits or coverage under general permits for discharges of storm water runoff from certain types of facilities. Spill prevention, control and countermeasure requirements of federal laws require appropriate containment berms and similar structures to help prevent the contamination of navigable waters by a petroleum hydrocarbon tank spill, rupture or leak. In addition, the Ocean Dumping Act prohibits or restricts the disposition of any material in the US territorial sea. Federal and state regulatory agencies can impose administrative, civil and criminal penalties for non-compliance with discharge permits or other requirements of the CWA, the Ocean Dumping Act and analogous state laws and regulations.

GHG Emissions

Due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, regulatory frameworks to reduce greenhouse gas emissions. These include adoption of cap and trade regimes, carbon taxes, restrictive permitting, increased efficiency standards, and incentives or mandates for renewable energy. The EPA has established certain requirements under the CAA related to CO_2 emissions.

In accordance with certain reporting rules, we monitor our GHG emissions from our facility and report the emissions to the EPA annually. On December 7, 2009, the EPA finalized its "endangerment finding" that GHG emissions, including CO_2, pose a threat to human health and welfare. The finding allows the EPA to regulate GHG emissions as air pollutants under the CAA. On March 28, 2017, President Trump signed an executive order directing the EPA to review and, if appropriate, initiate proceedings to suspend, revise or rescind certain GHG emissions rules proposed by the EPA. In addition, several of the EPA's GHG rules are being challenged in pending court proceedings. Depending on the outcome of such proceedings, such rules may be modified or rescinded or the EPA could develop new rules. Increased costs associated with compliance with any future legislation or regulation of GHG emissions, if it occurs, may have a material adverse effect on our results of operations, financial condition and ability to make cash distributions. In addition, climate change legislation and regulations may result in increased costs not only for our business but also for agricultural producers that utilize our fertilizer products, thereby potentially decreasing demand for our nitrogen fertilizer products. Decreased demand for our fertilizer products may have a material adverse effect on our results of operations, financial condition and ability to make cash distributions.

Environmental Remediation

Under CERCLA and related state laws, certain persons may be liable for the release or threatened release of hazardous substances. These persons can include the current owner or operator of property where a release or threatened release occurred, any persons who owned or operated the property when the release occurred and any persons who disposed of, or arranged for the transportation or disposal of, hazardous substances at a contaminated property. Liability under CERCLA is strict, retroactive and, under certain circumstances, joint and several, so that any responsible party may be held liable for the entire cost of investigating and remediating the release of hazardous substances. As is the case with all companies engaged in similar industries, depending on the underlying facts and circumstances we face potential exposure from future claims and lawsuits involving environmental matters, including soil and water contamination, personal injury or property damage allegedly caused by hazardous substances that we manufactured, handled, used, stored, transported, spilled, disposed of or released. We cannot assure you that we will not become involved in future proceedings related to our release of hazardous or extremely hazardous substances or that, if we were held responsible for damages in any existing or future proceedings, such costs would be covered by insurance or would not be material.

Chemical Derivatives of Methanol

Some of our customers use methanol that we supply to manufacture formaldehyde, among other chemicals. In 2012, methanol demand for the production of formaldehyde represented approximately 29.9% of global demand. Formaldehyde, a component of resins used as wood adhesives and as a raw material for engineering plastics and a variety of other products, including elastomers, paints, building products, foams, polyurethane and automotive products, has been classified by the EPA as a likely carcinogen. Changes in environmental, health and safety laws, regulations or requirements relating to formaldehyde could impact methanol demand, which could indirectly have a material adverse effect on our business.

Because of certain government public health agencies' concerns regarding the potential for adverse human health effects, formaldehyde is a regulated chemical and public health agencies continue to evaluate its safety. In 2004, a division of the World Health Organization, the International Agency for Research on Cancer ("IARC"), reclassified formaldehyde as "carcinogenic to humans," a higher classification than set forth in previous IARC evaluations. In 2009, the IARC determined that there is sufficient evidence in human beings of a causal association between formaldehyde exposure and leukemia. In 2011, the National Toxicology Program within the U.S. Department of Health and Human Services (the "NTP") issued its 12th Report on Carcinogens, or RoC, which lists formaldehyde as "known to be a human carcinogen." This NTP listing was based, in part, upon certain studies reporting an increased risk of certain types of cancers, including myeloid leukemia, in individuals with higher measures of formaldehyde exposure (exposure level or duration).

The EPA, under its Integrated Risk Information System ("IRIS"), has also released a draft of its toxicological review of formaldehyde. This draft review states that formaldehyde meets the criteria to be described as "carcinogenic to humans" by the inhalation route of exposure based upon evidence of causal links to certain cancers, including leukemia. The National Academy of Sciences (the "NAS") was requested by the EPA to serve as the external peer review body for the draft review. The NAS reviewed the draft IRIS toxicological

review and issued a report in April 2011 that criticized the draft IRIS toxicological review and stated that the methodologies and the underlying science used in the draft IRIS review did not clearly support a conclusion of a causal link between formaldehyde exposure and leukemia. It is possible that the EPA may revise the IRIS toxicological review to reflect the NAS findings, including the conclusions regarding a causal link between formaldehyde exposure and leukemia.

The EPA finalized a rule setting limits on formaldehyde emissions from composite wood products that use formaldehyde based adhesives in July 2016. The rule established a system where accredited third party certifiers review and certify that composite wood products meet the applicable standards.

In 2014, the NAS endorsed the NTP's listing of formaldehyde as a known carcinogen.

It is possible that new regulatory requirements could be promulgated to limit human exposure to formaldehyde, that we could incur substantial additional costs to meet any such regulatory requirements and that there could be a reduction in demand for our formaldehyde-based products. These additional costs and reduced demand could have a material adverse effect on our operations and profitability.

Several years ago, environmental concerns and legislative action related to gasoline leaking into water supplies from underground gasoline storage tanks in the United States resulted in the phase-out of MTBE as a gasoline additive in the United States. However, MTBE continues to be used in the United States to produce MTBE for export markets, where demand for MTBE has continued at strong levels. We currently expect demand for methanol for use in MTBE production in the United States to remain steady throughout 2017, though it could decline materially if export demand is impacted by governmental legislation or policy changes. Declines in demand for methanol for use in MTBE production could have an adverse impact on our results of operations, financial condition and ability to make cash distributions.

MANAGEMENT

The Issuer

The Issuer was incorporated as a public limited liability company (*société anonyme*) under the laws of Luxembourg on July 3, 2014 and is registered with the trade and companies register of Luxembourg (*Registre de Commerce et des Sociétés*) under number B 188543. The Issuer's registered office is at 163, Rue du Kiem, L–8030 Strassen, Grand Duchy of Luxembourg.

The persons set forth in the following table are the current members of the board of directors of the Issuer:

Name	Age	Position
David Cassidy	41	Category A Director
Dr. John-Christian Lührs	47	Category A Director
Cornelia Mettlen	54	Category B Director

David Cassidy is the chairman and a director of the board of Consolidated Energy Finance S.A. and CEL. He has also been the CEO of Proman AG since April 2008 and has extensive on-ground experience in Trinidad, Oman, Germany and the United States. He is the son of the founder and co-owner of Proman, the 75% shareholder of CEL. He currently also serves as director on the boards of CNC, N2000, G2X Energy, Natgas, SCC and CEL (Barbados). Mr. Cassidy holds a Bachelor's degree with Honors in Medicine and a Master's degree with Honors in Social and Political Science from the University of Cambridge. Mr. Cassidy's professional address is: Proman AG, Samstagernstrasse 41, 8832 Wollerau, Switzerland.

Dr. John-Christian Lührs is a director of the board of Consolidated Energy Finance S.A. and CEL. Dr. Lührs is a qualified bank officer and studied economic sciences in Bamberg and Washington which he finished with an MBA. The first seven years of his career Dr. Lührs worked for Roland Berger as a consultant with focus on "corporate strategy". For ten years he worked as CFO at a family owned company which is positioned globally in the field of specialty chemicals before joining Helm. Dr. Lührs' professional address is: Helm AG, Nordkanalstrasse 28, 20097 Hamburg, Germany.

Cornelia Mettlen is a director of the board of Consolidated Energy Finance S.A. Ms. Mettlen has been a Partner at H.R.T. Group S.A. in Luxembourg since 2010. Before joining H.R.T., Ms. Mettlen was Executive Director at Ernst & Young Tax Advisory Services and held various positions as tax advisor and international lawyer. She holds a law degree from the Université Catholique de Louvain in Belgium. Ms. Mettlen's professional address is: H.R.T. Group S.A., 163, rue du Kiem, 8030 Strassen, Luxembourg.

CEL's Board of Directors

As this Company Report is based on the business carried out by CEL and its fully consolidated subsidiaries, in particular MHTL, CEL's directors are presented below.

The persons set forth in the following table are the current members of the board of directors of CEL:

Name	Age	Position
David Cassidy	41	Director
Daniel Eggenberger	52	Director
Markus Gresch	59	Director
Dr. John-Christian Lührs	47	Director

David Cassidy. For biographical details of Mr. Cassidy, see the description under "—The Issuer."

Daniel Eggenberger is a member of the board of directors of CEL and since 2002 chairman and/or member of the board of directors of various other companies. Before joining CEL, Mr. Eggenberger was owner/CEO of Globo Trading & Consulting AG, a brokerage company regulated in Switzerland, from 1994 until 2002. Mr. Eggenberger completed his studies of commerce at KV Business School Zurich, an apprenticeship in Banking at Credit Suisse Zurich and is a licensed Swiss securities broker.

Markus Gresch is a member of the board of directors of CEL and an autonomous lawyer in the law offices of Gresch & Schwab. Before joining CEL and founding Gresch & Schwab in 1999, Mr. Gresch worked as attorney at Alexandre Le Soldat Lawyer from 1990 until 1997 and as consultant at Winterthur Life Insurance from 1985 until 1990. Mr. Gresch has a law degree and an LL.M. from the University of Zurich.

Dr. John-Christian Lührs. For biographical details of Dr. Lührs, see the description under "—The Issuer."

Compensation of the Board of Directors

The aggregate remuneration paid to our directors for the year ended December 31, 2016 was CHF 76,800 consisting of director fees.

Audit Committee of the Board of Directors

We have not adopted a separately established audit committee. The board of directors as a whole, or its delegated members, fulfills such functions as and when required.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

Principal Shareholders

The ultimate shareholders of the Group are Proman (75%) and Helm (25%). The following is a brief description of each of our principal shareholders.

Proman is a leading engineering, procurement and construction group operating in various industries (Gas Processing, Petrochemicals). It was founded in 1984 by a small group of engineers and operates through more than 50 subsidiaries in thirteen countries as of December 31, 2016. The key competencies of Proman are in engineering, feasibility studies, construction, project execution, marketing and management services and it has been active in the methanol industry in Trinidad since 1988.

Proman, via its subsidiary IPSL, is fully responsible for our plant operations in Trinidad.

Helm is a multifunctional distribution company that specializes in chemicals, fertilizers, nutrition, pharmaceutical products and crop protection. Helm was founded in 1900 in Hamburg and has been family-owned since 1950. As of December 31, 2016, Helm is active globally via more than 100 subsidiaries and sales offices in more than 30 countries worldwide. Helm has been active in the methanol industry in Trinidad since 1984.

With the exception of surplus ammonia, which is sold to N2000 and the production at our Pampa facility, which is sold to SCC, Helm is fully responsible for the sale of the Group's production based on take or pay obligations.

Related Party Transactions

We have entered into certain transactions with related parties, including affiliates of Proman and Helm, primarily for product sales and marketing, engineering and procurement services, management and operations of the plants and turn around services for existing facilities

Description of Material Related Parties and Transactions

Helm AG and Caribbean Petrochemical Company Limited

We have supply contracts with Helm for the sale and distribution of Methanol, UAN and Melamine in the United States and Europe. Helm has assigned to another related party, CPC Caribbean Petrochemical Company Limited (CPC), the sale and distribution of its US volumes. The Group has "take or pay" arrangements with its customers for its products, all of which were met during the fiscal year ended December 31, 2016. See "Business—Material Contracts—Off-Take Agreements with Helm."

Proman AG (Trinidad) Limited

Proman AG (Trinidad) Limited provides turnaround services for MHTL and is a related party by virtue of common shareholders.

Industrial Plant Services Limited ("IPSL")

MHTL has entered into a contract with Industrial Plant Services Limited for the overall operation and maintenance of the AUM and Methanol plants. In accordance with the contract MHTL pays for the following services:

- Direct costs, included but not limited to employee costs and benefits, contract labor costs, repair materials, tools and equipment, office and other supplies and services as agreed by both parties in the contract.
- A quarterly fee based on production volumes at various rates along product line. See "Business—Material Contracts—Agreements with IPSL."

Process Energy (Trinidad) Limited

Process Energy (Trinidad) Limited rents office space from Methanol Holdings (Trinidad) Limited. This Company also provides financial support services to CEL (Barbados).

Methanol Holdings International Limited

Billed amounts for directors' fees and expenses from CEL (Barbados).

OCI N.V.

OCI N.V. has a 50% equity interest in Firewater, provided a US$271.2 million shareholder loan to Natgas which was subsequently refinanced on August 30, 2016 by the Third Amended and Restated Promissory Note.

MKC Contracting LLC

Wholly-owned subsidiary of Proman and was incorporated in 2012 to act as contractor for the Pampa facility construction. Under a master services agreement with G2X, MKC Contracting LLC provides services for the Pampa facility, Big Lake Fuels and Natgas.

For more information on all related party transactions in the three months ended March 31, 2016 and 2017 and fiscal years ended December 31, 2014, 2015 and 2016, see note°12 of the CEL Interim Condensed Consolidated Financial Statements for the three month period, note 25 of the CEL (Barbados) 2014 Consolidated Financial Statements, note 24 of the OPAG 2015 Consolidated Financial Statements for the fiscal year ended December 31, 2015 as well as note 27 of the CEL 2016 Consolidated Financial Statements for the fiscal year ended December 31, 2016.

DESCRIPTION OF OTHER INDEBTEDNESS

The following summary of the material terms of our and our subsidiaries other indebtedness does not purport to be complete and is subject to and qualified in its entirety by reference to, the underlying documents. For further information regarding our existing indebtedness, see and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Term Loan and Revolving Credit Facility

Overview

On June 30, 2015, Methanol Holdings (Trinidad) Limited ("MHTL") refinanced its outstanding term loans (the "Existing Term Loans") with the German development bank, *Kreditanstalt für Wiederaufbau* ("KfW") and, where applicable, one of its subsidiaries, KfW IPEX-Bank GmbH ("KfW IPEX") by way of a US$290,000,000 term loan (the "MHTL Initial Term Loan") and a US$300,000,000 revolving credit facility (the "MHTL Revolving Credit Facility") advanced by JPMorgan Chase Bank, N.A. (the "Original Lender" and, together with any new lenders, the "Lenders"). The refinancing was documented by way of the following agreements: (i) a loan transfer agreement dated June 22, 2015 between, among others, MHTL, KfW, KfW IPEX and the Original Lender under which, among other things, all the rights and obligations in relation to the Existing Term Loans were transferred from KfW and KfW IPEX (where applicable) to the Original Lender (the "Loan Transfer Agreement"); (ii) an amendment and restatement agreement (the "Amendment and Restatement Agreement") to which the amended and restated credit agreement (the "Amended and Restated Credit Agreement") was attached, dated June 30, 2015, between, amongst others, MHTL, Methanol Holdings (Delaware) LLC (the "US Borrower" and, together with MHTL, the "Borrowers"), the Original Lender (as lender, administrative agent and collateral agent), J.P. Morgan Securities LLC, Morgan Stanley Senior Funding, Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Sumitomo Mitsui Banking Corporation (all as joint lead arrangers and joint bookrunners), J.P. Morgan Securities LLC and Morgan Stanley Senior Funding, Inc. (both as joint global coordinators), under which, amongst other things, the Existing Term Loans were consolidated and converted into the MHTL Initial Term Loan and the MHTL Revolving Credit Facility and the US Borrower acceded as an additional borrower to the Amended and Restated Credit Agreement; and (iii) a first amendment agreement to the Amended and Restated Credit Agreement between the Borrowers and the Original Lender dated August 3, 2015, under which, among other things, certain amendments were made to the Amended and Restated Credit Agreement relating to the requirement of consent of the Lenders for amendments, waivers or modifications of any pro rata sharing of payment terms and the application of funds.

In addition, the Amended and Restated Credit Agreement provides for the ability, subject to certain conditions, to (i) add one or more additional tranches of term loans (the "New Term Loans"); (ii) refinance any outstanding term loans (the "Refinancing Term Loans") or revolving credit loans (the "Refinancing Revolving Credit Loans" (the Refinancing Term Loans and the Refinancing Revolving Credit Loans are together, the "Refinancing Loans"); and (iii) extend the scheduled maturity dates of any term loans (the "Extended Term Loans") or revolving credit facilities (the "Extended Revolving Credit Facilities") (the Extended Term Loans and the Extended Revolving Credit Facilities are together, the "Extended Loans"). The Borrowers, the Lenders and further relevant parties in respect of such New Term Loans, Refinancing Loans and Extended Loans may agree to certain terms and conditions in relation to commitments thereunder, including the repayment, termination and availability (each subject to parameters as set out in the Amended and Restated Credit Agreement).

Maturity and Repayment

The MHTL Initial Term Loans that have not been extended to become Extended Term Loans mature seven (7) years after the "Effective Date" as defined in the Amendment and Restatement (the "Closing Date"), being June 30, 2022. The commitments under the Revolving Credit Facilities that are not extended to become Extended Revolving Credit Facilities mature five years after the Closing Date, being June 30, 2020. New Term Loans, Extended Loans and Refinancing Loans mature on a date specified in the applicable amendment agreement of the Amended and Restated Credit Agreement documenting the New Term Loans (the "New Term Loan Amendment"), the Extended Loans (the "Extension Amendment") or the Refinancing Loans (the "Refinancing Amendment"), as the case may be.

The applicable Borrowers must repay an aggregate amount of 0.25% of the aggregate principal amount of all MHTL Initial Term Loans outstanding on the Closing Date on the last business day of each of March, June, September and December, having commenced with the last business day of September 2015, provided that the repayment amount is reduced by any prepayments made in accordance with the Amended and Restated Credit Agreement and provided that scheduled amortizations are reduced ratably to reflect the conversion of any MHTL Initial Term Loans to Extended Term Loans. The amortization of any new class of term loans established pursuant to a New Term Loan Amendment, Extension Amendment or Refinancing Amendment shall be as specified in the applicable amendment agreement.

On the applicable final maturity date, all term loans and the aggregate principal amount of all revolving credit loans, including where such revolving credit loans were extended to become Extended Revolving Credit Facilities, outstanding on such date must be repaid on such date.

All loans must be repaid in the currency in which they were made.

An amount of US$272.4 million of the MHTL Initial Term Loan and an amount of US$300,000,000 of the MHTL Revolving Credit Facility is outstanding as of March 31, 2017.

Interest and Fees

The term loans and revolving credit loans bear interest either at an adjusted LIBOR (such loans, the "Eurocurrency Rate Loans") or the base rate (such loans, the "Base Rate Loans").

Eurocurrency Rate Loans bear interest for any interest period at a rate per annum of the greater of (i) the rate determined by the administrative agent to be the Interbank offered rate as administered by ICE Benchmark Administration that appear on the Reuters Screen LIBOR01 or LIBOR02 (or any successor thereto) for deposits in Dollars or that displays an average British Bankers Association Interest Settlement Rate (or any successors thereto) that displays an alternative currency (for delivery on the first day of such interest period) as determined as of approximately 11:00 a.m. (London time) two (2) business days prior to the first day of the applicable interest period multiplied by the Statutory Reserve Rate (as defined in the Amended and Restated Credit Agreement) and (ii) solely with respect to MHTL Initial Term Loans, 0.75% per annum (the "Adjusted Eurocurrency Rate") plus in respect of MHTL Initial Term Loans, 3.50% or 3.25% and in respect of the loans under the Revolving Credit Facility, 2.75% or 2.50%, in both cases as applicable depending on the Total Net First Lien Leverage Ratio (as defined below) set out in the most recent compliance certificate.

Base Rate Loans bear interest at a fluctuating rate per annum equal to the highest of (i) the Federal Funds Rate (as defined in the Amended and Restated Credit Agreement) plus 1/2 of 1%, (ii) the rate of interest in effect for such day as publicly announced from time to time by the administrative agent as its "prime rate," and (iii) to the extent ascertainable, the Adjusted Eurocurrency Rate on such day for an interest period of one (1) month plus 1.00% and (iv) solely with respect to MHTL Initial Term Loans, 1.75% plus, in respect of MHTL Initial Term Loans, 2.50% or 2.25% and, in respect of the loans under the Revolving Credit Facility, 1.75% or 1.50%, in both cases as applicable depending on the Total Net First Lien Leverage Ratio (as defined below) set out in the most recent compliance certificate.

The Borrowers are required to pay a commitment fee on any available but undrawn commitments under the MHTL Revolving Credit Facility at a rate of 0.50% or 0.375% per annum as applicable depending on the Total Net First Lien Leverage Ratio (as defined below) set out in the most recent compliance certificate multiplied by the actual daily amount of the undrawn commitments. The commitment fee is payable quarterly in arrears on the last business day of March, June, September and December, having commenced with the last business day of September 2015 and on the applicable maturity date for a revolving credit facility.

The payment of a commitment fee is not required to a Lender for so long as it is a defaulting lender.

Guarantees and Security

The MHTL Initial Term Loan and MHTL Revolving Credit Facility are guaranteed, subject to certain limitations, by certain material subsidiaries and further restricted subsidiaries of MHTL (other than the US Borrower) (the "Guarantors"). As of the date of this Company Report, there are no Guarantors.

The MHTL Initial Term Loan and MHTL Revolving Credit Facility are further secured by a New York law governed security agreement dated June 30, 2015 (the "New York Security Agreement") between the US Borrower, the Guarantors (together, the "Grantors") and the Original Lender (as collateral agent), under which, among other things, the US Borrower and the Guarantors secure their obligations under the finance documents relating to the MHTL Initial Term Loan and the MHTL Revolving Credit Facility (including the guarantee under the Amended and Restated Credit Agreement) by assigning and pledging to the collateral agent, for the benefit of the Lenders, (i) all of their promissory notes or other debt instruments, (ii) all of their other property that may be delivered to and held by the collateral agent under the New York Security Agreement, (iii) all proceeds received in respect of the assets referred to in (i) and (ii), (iv) all rights and privileges of the Grantors with respect to the securities and property referred to in (i) to (iii) above and (v) all proceeds of and security entitlements in respect of, any of the foregoing.

Finally, the MHTL Initial Term Loan and MHTL Revolving Credit Facility are secured by an amended and restated Trinidad law governed mortgage debenture (the "Mortgage Debenture") dated June 30, 2015 between MHTL and the Original Lender (as collateral agent), under which, among other things, MHTL assigns to the

collateral agent, for the benefit of the Lenders, all its rights in respect of the properties specified in the Mortgage Debenture and provides a charge over all of its undertaking, goodwill, assets, rights and properties in favor of the collateral agent for the benefit of the Lenders.

In summary, security has been granted over all assets of MHTL and the US Borrower except for equity interests, customary exceptions and certain other exclusions specified under the Amended and Restated Credit Agreement as "excluded assets".

Voluntary Cancellation and Prepayment and Mandatory Prepayment

Subject to certain conditions, the applicable Borrower may terminate or permanently reduce any unused commitments of any class of term loan or revolving credit facility, at any time by giving the administrative agent one business day prior notice. Any partial reduction must be in an aggregate amount of US$5,000,000 or any whole multiple of US$1,000,000 in excess thereof or, if less, the entire amount thereof.

Subject to certain conditions and applicable break costs, the applicable Borrower may voluntarily prepay all or part of a term loan or revolving credit loan at any time by giving the administrative agent three business days prior notice in respect of Eurocurrency Rate Loans and by giving the administrative agent notice on the day of prepayment in respect of Base Rate Loans. Any partial prepayment of Eurocurrency Rate Loans must be in a principal Dollar amount of US$1,000,000 or a whole multiple of the Dollar amount of US$250,000 in excess thereof or, if less, the entire principal amount thereof outstanding. Any prepayment of Base Rate Loans must be in a principal Dollar amount of US$250,000 or a whole multiple of the Dollar amount of US$100,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Each prepayment of term loans must be applied to each class of term loans as directed by the applicable Borrower. Any prepayment of revolving credit loans must be applied pro rata to all outstanding revolving credit loans. So long as no event of default has occurred or is continuing, the Borrowers have the right to prepay outstanding term loans at a discount to par, subject to certain terms and conditions set out in the Amended and Restated Credit Agreement. Prepayment of outstanding term loans results in the cancellation of the prepaid amounts.

In addition to voluntary prepayments, the Amended and Restated Credit Agreement requires mandatory prepayment and, where applicable, cancellation of the MHTL Initial Term Loan and the Revolving Credit Facility, as the case may be:

- where the ratio of the consolidated net debt of MHTL and its restricted subsidiaries (together, the "Group") that is secured by a first priority lien to the consolidated EBITDA of the Group for a fiscal year (the "Total Net First Lien Leverage Ratio") exceeds 2.50:1:00, the Group has excess cash flow in such period and to the extent that the amount to be prepaid has not already been prepaid voluntarily during the relevant period. The amount of the prepayment is determined by the amount of the excess cash flow (subject to certain deductions specified in the Amended And Restated Credit Agreement) and the Total Net First Lien Leverage Ratio for the relevant fiscal year;
- where any Group company receives net proceeds from the disposition of assets or the issuance of equity securities (the "Net Proceeds"), the receipt of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property to replace such equipment, fixed assets or real property, the applicable Borrower is required to prepay the amount of such Net Proceeds, subject to certain exceptions specified in the Amended and Restated Credit Agreement and subject to the right to reinvest the Net Proceeds useful for any of the Group company's business within twelve months following receipt of the Net Proceeds (or if committed to be reinvested within twelve months within 180 days thereafter;
- where any Group company issues any debt instrument not expressly permitted to be issued under the Amended and Restated Credit Agreement or receives permitted debt for purposes of refinancing the term loans, the applicable Borrower is required to prepay the net proceeds received from such debt financing; and
- where the exposure of lenders under any revolving credit facility exceeds the commitment then in effect for such facility, the Borrowers must promptly prepay the revolving credit loans.

Covenants

The Amended and Restated Credit Agreement contains affirmative and negative covenants customary for this type of financing, which, in turn, are subject to certain agreed amendments and exceptions, including but not limited to, covenants relating to:

- financial statements;
- maintenance of material assets and insurance;

- compliance with laws;
- maintenance of ratings (provided that this can be done using commercially reasonable efforts);
- payment of taxes;
- restricted payments (see below under "Restrictions on Dividend Payments" regarding dividends specifically);
- negative pledge (i.e. restrictions on the granting and subsistence of security);
- restrictions on the incurrence of financial indebtedness and issuance of preferred stock, asset sales, transactions with affiliates, engaging in business activities other than permitted businesses, consolidations and mergers (both for the Borrowers and the Guarantors) and the use of proceeds.

The Amended and Restated Credit Agreement requires MHTL to comply with the financial covenant that its Total Net First Lien Leverage Ratio may not exceed 3.50:1.0 for each period of four consecutive fiscal quarters in respect of which financial statements are required to be delivered.

Restrictions on Dividend Payments

The Amended and Restated Credit Agreement provides that MHTL may generally not and may not permit any of its restricted subsidiaries to, directly or indirectly declare or pay any dividend or make any other payment or distribution on account of the equity interests of MHTL or its restricted subsidiary (the "Restricted Payment") other than (i) dividends or distributions by MHTL payable in corporate stock of MHTL or in options, warrants or other rights to purchase such corporate stock or (ii) dividends or distributions by a restricted subsidiary to MHTL or any other restricted subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a restricted subsidiary other than a wholly owned subsidiary of MHTL, MHTL or a restricted subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its equity interests in such class or series of securities. Moreover, Restricted Payments are permitted if (i) no default or event of default has occurred and is continuing or would occur as a consequence of the Restricted Payment, (ii) MHTL would, at the time of such Restricted Payment and after giving *pro forma* effect thereto have been permitted to incur at least US$1.00 of additional indebtedness pursuant to the consolidated net debt to consolidated EBITDA ratio test, (iii) MHTL and its restricted subsidiaries would, at the time of such Restricted Payment and after giving *pro forma* effect thereto, have at least US$100,000,000 of liquidity (consisting of undrawn commitments under the MHTL Revolving Credit Facility and available cash). Further exceptions to paying dividends and making distributions are set out in the Amended and Restated Credit Agreement.

Events of Default

The Amended and Restated Credit Agreement contains certain events of default that are customary for this type of financing (including, subject to a materiality threshold of US$50.0 million in aggregate, a cross default in relation to financial indebtedness of the Group). The occurrence of any such event of default would, subject to any applicable grace periods or cure rights and agreed exceptions, entitle the administrative agent, acting on behalf of the Lenders, to (i) cancel their commitments, (ii) declare that all or part of the loans (together with accrued interest and all other amounts accrued or outstanding under the finance documents in respect of the MHTL Initial Term Loan and the Revolving Credit Facility) be immediately due and payable and (iii) enforce any of the security securing obligations of the Group in relation to the MHTL Initial Term Loan and the MHTL Revolving Credit Facility.

Existing Notes

On October 7, 2014, the Issuer issued $1,050 million aggregate principal amount of its 6.750% Senior Notes due 2019 (the "Existing Fixed Rate Notes") under an indenture dated October 7, 2014 (the "Existing Fixed Rate Notes Indenture") among the Issuer, Consolidated Energy Limited, FS Petrochemicals (St. Kitts) Limited and Deutsche Bank Trust Company Americas. Subsequently, CEL and OPAG acceded to the Existing Fixed Rate Notes Indenture as guarantors and CEL became the new Parent Guarantor (the "Amended Fixed Rate Notes Indenture").

On October 7, 2014, Consolidated Energy Finance S.A. issued $200 million aggregate principal amount of its Floating Rate Senior Notes due 2019 (the "Existing Floating Rate Notes" and, together with the Existing Fixed Rate Notes, the "Existing Notes") under an indenture dated October 7, 2014 (the "Existing Floating Rate Notes Indenture") among the Issuer, Consolidated Energy Limited, FS Petrochemicals (St. Kitts) Limited and Deutsche Bank Trust Company Americas. Subsequently, CEL and OPAG acceded to the Floating Rates Notes Indenture as guarantors and CEL became the new Parent Guarantor (the "Amended Floating Rate Notes Indenture" and, together with the Amended Fixed Rate Notes Indenture, the "Existing Notes Indentures").

Guarantees and Security

The Existing Notes are fully and unconditionally guaranteed on a senior unsecured basis by the Issuer, CEL, OPAG, CEL (Barbados), MHTL and FS Petrochemicals (the "Notes Guarantors").

Maturity and Interest

The Existing Fixed Rate Notes will mature on October 15, 2019 and accrue interest at a rate of 6.750% per annum, payable semi-annually on April 15 and October 15 of each year.

The Existing Floating Rate Notes will mature on October 15, 2019 and accrue interest at a rate per annum, reset quarterly, equal to LIBOR plus 3.50%, payable quarterly on January 15, April 15, July 15 and October 15 of each year.

Ranking

The Existing Notes are general unsecured senior obligations of the Issuer and the Notes Guarantors and rank *pari passu* in right of payment with any existing and future liabilities of the Issuer and the Notes Guarantors that are not subordinated in right of payment.

Optional redemption

Existing Fixed Rate Notes

The Issuer may redeem up to 35% of the aggregate principal amount of the Existing Fixed Rate Notes, one or more occasions, at any time prior to October 15, 2016, at a redemption price equal to 106.750% of their principal amount, plus accrued and unpaid interest, if any, with the net cash proceeds from one or more equity offerings of CEL or a direct or indirect parent entity of CEL. The Issuer may only do this, however, if (a) at least 65% of the aggregate principal amount of the Existing Fixed Rate Notes initially issued under the Amended Fixed Rate Notes Indenture would remain outstanding immediately after the occurrence of such redemption and (b) the redemption occurs within 120 days after the closing of such equity offering.

At any time prior to October 15, 2016, the Issuer may also redeem, on one or more occasions, all or part of the Existing Fixed Rate Notes at a redemption price equal to 100% of the principal amount thereof plus a "make-whole" amount, plus accrued and unpaid interest, if any.

Beginning on October 15, 2016, the Issuer may redeem all or part of the Existing Fixed Rate Notes at the following redemption prices (expressed as percentages of their principal amount), plus accrued and unpaid interest, if any: the redemption price is 103.375% for redemptions during the 12-month period commencing on October 15, 2016, 101.688% for redemptions during the 12-month period commencing on October 15, 2017 and 100.000% for redemptions on or after October 15, 2018.

Existing Floating Rate Notes

Beginning on October 15, 2015, the Issuer may redeem, on one or more occasions, all or part of the Existing Floating Rate Notes at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any.

Covenants

The Existing Note Indentures contain a number of affirmative and negative covenants that restrict, among other things, the ability of CEL and its restricted subsidiaries that are bound by the covenants of the Existing Note Indentures to:

- incur or guarantee additional debt or issue preferred stock;
- pay dividends, repurchase share capital or prepay subordinated debt;
- make certain investments;
- create certain liens;
- merge, consolidate or sell all or substantially all of their assets;
- sell certain assets, including shares of any restricted subsidiary;
- enter into certain transactions with affiliates;
- create or designate unrestricted subsidiaries; and
- enter into restrictions affecting the ability of restricted subsidiaries to make distributions, loans or advances to the Issuer or other restricted subsidiaries.

Each of the covenants in the Existing Notes Indentures is subject to significant exceptions and qualifications. Certain of the covenants will be suspended if and for as long as the Existing Notes achieve investment-grade ratings.

The Existing Notes Indentures do not require maintenance of certain financial ratios. Subject to detailed provisions and exceptions in the Existing Notes Indentures, CEL and its restricted subsidiaries must comply with the applicable ratios in order to take certain actions that are restricted under the Existing Notes Indentures. In particular and subject to a number of detailed exceptions, CEL and its restricted subsidiaries may only incur additional indebtedness, if, on the date of such incurrence and after giving *pro forma* effect to such incurrence, (i) the fixed charge coverage ratio of CEL (which is, simplified, the ratio of CEL's consolidated EBITDA to the sum of CEL's consolidated net interest expense and portions of cash and non-cash dividends on preferred stock calculated on the basis of applicable tax rates) for the four most recent financial quarters would have been at least 2.0 to 1.0.

Subject to detailed provisions and exceptions in the Existing Notes Indentures, CEL and its restricted subsidiaries may declare and pay dividends, redeem or repurchase capital stock and make certain other restricted payments and investments only if no default or event of default has occurred under the Existing Notes Indentures, the fixed charge coverage ratio of CEL for the four most recent financial quarters would have been at least 2.0 to 1.0 and the aggregate amount of all dividends, repurchases and other restricted payments and investments made since the date of the Existing Notes Indentures is less than the sum of 50% of the consolidated net income (defined, in simplified form, as the consolidated profit/loss, subject to certain adjustments) of CEL on a cumulative basis since October 1, 2014 (or, if such aggregate cumulative consolidated adjusted net income is a negative number, minus 100% of such negative amount), plus 100% of the aggregate net cash proceeds received by CEL from the issuance and sale of its common stock and certain other items.

In addition, CEL is permitted to declare and pay dividends on its common stock, following the first public offering of CEL's common stock, in an amount of up to 6% annually of the net cash proceeds received or contributed to CEL in or from such public offering.

Dividends may further be distributed, if no default or event of default under the Existing Note Indentures exists at the time of distribution, if and to the extent (i) CEL's fixed charge coverage ratio would have been at least 2.0 to 1.0 on a *pro forma* basis giving effect to such distribution and (ii) the aggregate amount of all dividends declared does not exceed the net cash proceeds received from the sale of preferred stock of CEL or any of direct or indirect parent company.

Change of Control

Upon the occurrence of a change of control, the Issuer will be required to offer to repurchase the Existing Notes at 101% of their aggregate principal amount, plus accrued and unpaid interest, if any.

A change of control will be deemed to occur under the Existing Notes Indentures in the following circumstances:

- the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of CEL and its subsidiaries, taken as a whole, to any person or group other than to one or more permitted holders;
- subject to certain limited exceptions, the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any person or group, other than one or more permitted holders, is or as a result of such transaction becomes the beneficial owner, of 50% or more of the total voting power of the voting stock of CEL; or
- during any period of two consecutive years, individuals who at the beginning of such period were members of the board of directors of CEL cease for any reason to constitute a majority of such board of directors then in office; or
- CEL ceases to beneficially own, directly or indirectly, 100% of the issued and outstanding equity interests of the Issuer.

Events of Default

The Existing Notes Indentures contain customary events of default (subject to materiality, cure periods and other exceptions where appropriate), including defaults in the payment of principal, premium or interest, defaults in the compliance with covenants contained in the Existing Notes Indentures, cross acceleration and cross payment defaults, failure to pay final judgments and the occurrence of certain events of bankruptcy or insolvency. If an event of default has occurred and is continuing, the Existing Notes Indentures provide that the

trustee or holders of at least 25% in aggregate principal amount of the outstanding Existing Notes can declare all the Existing Notes due and payable immediately (in case of the occurrence of certain events of bankruptcy or insolvency, the Existing Notes will become due and payable automatically, without the need for any declaration).

Tax-Exempt Bonds

Overview

On May 4, 2016, Natgasoline LLC ("Natgas") issued (i) US$50.0 million principal amount of its Senior Lien Revenue Bonds (Natgasoline Project), Series 2016A (the "Series 2016A Bonds") and (ii) US$202,885,000 of its Senior Lien Revenue Bonds (Natgasoline Project), Series 2016B (the "Series 2016B Bonds" and, together with the Series 2016A Bonds, the "Tax-Exempt Bonds"). Both series of the Tax-Exempt Bonds were issued by the Mission Economic Development Corporation (the "Tax-Exempt Bond Issuer") on behalf of Natgas, the proceeds of which were loaned to Natgas (the "Senior Loan") pursuant to a senior bond financing agreement, dated May 1, 2016 (the "Financing Agreement"), between the Tax-Exempt Bond Issuer and Natgas, to partially finance the costs of developing and constructing the Natgas Facility.

The Tax-Exempt Bonds are authorized pursuant to the constitution and laws of the State of Texas and were issued pursuant to an indenture, dated May 1, 2016 (the "Tax-Exempt Bond Indenture"), by and among the Tax-Exempt Bond Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Tax-Exempt Bond Trustee"). The Tax-Exempt Bond Trustee is also appointed as registrar and paying agent under the Tax-Exempt Bond Indenture.

Interest, Maturity and Repayment

The Tax-Exempt Bonds will mature on October 1, 2031 and accrue interest at a rate of 5.750% per annum, payable semi-annually on April 1 and October 1 of each year.

Natgas is obligated under the Financing Agreement to pay to the Tax-Exempt Bond Trustee amounts sufficient to pay, when due, the principal of and the interest on the Tax-Exempt Bonds and other amounts required by the Tax-Exempt Bond Indenture.

An amount of US$228.1 million of the Senior Loan is outstanding as of the date of this Company Report.

Guarantees and Security

The Tax-Exempt Bonds are special, limited obligations of the Tax-Exempt Bond Issuer and payable from and secured by (i) the amounts required to be paid by Natgas in payment for the Senior Loan, (ii) all moneys received or to be received by the Tax-Exempt Bond Issuer or the Tax-Exempt Bond Trustee in respect of payments for the Senior Loan, (iii) the proceeds from the issuance of the Tax-Exempt Bonds and all moneys, investments and accounts from time to time held by the Tax-Exempt Bond Trustee under the terms of the Tax-Exempt Bond Indenture, (iv) certain funds and accounts established and maintained under the Tax-Exempt Bond Indenture and (v) the Financing Agreement (subject to certain unassigned rights held by the Tax-Exempt Bond Issuer).

The Tax-Exempt Bonds are further secured by a New York law governed security agreement dated May 1, 2016 (the "Security Agreement") between Natgas (as grantor) and The Bank of New York Mellon Trust Company, N.A. (as collateral agent) under which, among other things, Natgas secures its obligation to make periodic payments at the times and in the amounts required to enable the Tax-Exempt Bond Trustee to pay when due the principal of and the interest or redemption price on the Tax-Exempt Bonds as provided in the Tax-Exempt Bond Indenture by assigning and pledging to the collateral agent, for the benefit of the secured creditors, (i) all of Natgas' personal property, including Natgas' rights under the agreements to which Natgas is a party (other than certain excluded collateral) and (ii) all funds held by the collateral agent in certain accounts under the collateral agency agreement.

Lastly, Natgas' obligations under the Financing Agreement are secured by a certain deed of trust, dated as of the date of issuance of the Tax-Exempt Bonds (the "Mortgage"), granted by Natgas to the collateral agent, which creates a lien upon the real estate owned by Natgas on which the Natgas Facility is constructed.

Mandatory Redemption of the Series 2016A Bonds

The Series 2016A Bonds are subject to mandatory sinking fund redemption prior to maturity in part on the dates and in the principal amounts described below (each, a "Sinking Fund Installment"), at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

Date	Amount
October 1, 2028	US$6,550,000
April 1, 2029	US$6,740,000
October 1, 2029	US$6,930,000
April 1, 2030	US$7,130,000
October 1, 2030	US$7,335,000
April 1, 2031	US$7,550,000
October 1, 2031(1)	US$7,765,000

(1) Final maturity.

Natgas may from time to time direct the Tax-Exempt Bond Trustee to purchase Series 2016A Bonds with moneys held in certain accounts established and maintained under the Tax-Exempt Bond Indenture in excess of the amounts required to be on deposit therein after such purchase, at or below par plus accrued interest to the date of such purchase, and, by delivery thereof to the Tax-Exempt Bond Trustee for cancellation, apply any Series 2016A Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2016A Bonds of the same maturity and interest rate. Natgas may also purchase Series 2016A Bonds and, by delivery thereof to the Tax-Exempt Bond Trustee for cancellation, apply any Series 2016A Bonds so purchased as a credit, at 100% of the principal amount thereof, against and in fulfillment of a required Sinking Fund Installment on the Series 2016A Bonds of the same maturity and interest rate.

Extraordinary Mandatory Redemption—Loss Proceeds

The Series 2016A Bonds are subject to extraordinary mandatory redemption by Natgas on behalf of the Tax-Exempt Bond Issuer with the portion of the proceeds received by the Tax-Exempt Bond Trustee in connection with receipt of certain insurance and governmental payments, which are due in the event of casualty losses or expropriation events relating to the Natgas Facility, at a redemption price of 100% of the principal amount redeemed, plus interest accrued to the date fixed for redemption. Such proceeds will be applied *pro rata* to the Series 2016A Bonds and the Series 2016B Bonds.

Extraordinary Mandatory Redemption—Excess Proceeds

Subject to the conditions set forth in the Financing Agreement, the Series 2016A Bonds are subject to extraordinary mandatory redemption in whole or in part by Natgas on behalf of the Tax-Exempt Bond Issuer, at a redemption price of 100% of the principal amount of the Series 2016A Bonds to be redeemed plus accrued interest to the date fixed for redemption and on or after the earlier of the third anniversary of the issuance date of the Series 2016A Bonds or the date of the provisional acceptance of the Natgas Facility from certain excess proceeds under the Series 2016A Bonds.

Mandatory Redemption of the Series 2016B Bonds

Except for differing sinking fund redemption schedules, the mandatory redemption provisions in the Tax-Exempt Bond Indenture with respect to the Series 2016B Bonds are identical to the redemption provisions described above with respect to the Series 2016A Bonds.

The Series 2016B Bonds are subject to the following Sinking Fund Installments, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

Date	Amount
October 1, 2028	US$18,100,000
April 1, 2029	US$27,965,000
October 1, 2029	US$28,800,000
April 1, 2030	US$26,665,000
October 1, 2030	US$30,555,000
April 1, 2031	US$31,470,000
October 1, 2031(1)	US$32,420,000

(1) Final maturity.

Optional Redemption of the Series 2016A Bonds

The Series 2016A Bonds are subject to optional redemption (from funds other than those deposited in accordance with the mandatory sinking fund requirements set forth above), at the option of Natgas on behalf of the Tax-Exempt Bond Issuer, upon the direction of Natgas, in whole or in part, at any time prior to maturity during the periods and at the respective redemption prices (expressed as a percentage of the principal amount of the Series 2016A Bonds to be redeemed), plus, in each case, accrued interest on such Series 2016A Bonds to be redeemed to the date fixed for redemption:

Redemption Period	Redemption Price
Prior to October 1, 2018	Make whole premium
October 1, 2018 through September 30, 2019	103.5%
October 1, 2019 through September 30, 2020	103.0%
October 1, 2020 through September 30, 2021	102.5%
October 1, 2021 through September 30, 2022	102.0%
October 1, 2022 through September 30, 2023	101.5%
October 1, 2023 through September 30, 2024	101.0%
October 1, 2024 through September 30, 2025	100.5%
On and after October 1, 2025	100.0%

The make whole premium is calculated by using a certain periodic average of applicable municipal market data available via www.tm3.com plus 30 basis points; *provided*, *however*, that such redemption price shall not be less than 103.0% of the principal amount of the Series 2016A Bonds to be redeemed.

Optional Redemption of the Series 2016B Bonds

The optional redemption provisions in the Tax-Exempt Bond Indenture with respect to the Series 2016B Bonds are identical to the redemption provisions described above with respect to the Series 2016A Bonds.

Covenants

The Financing Agreement and the Tax-Exempt Bond Indenture contain affirmative and negative covenants customary for this type of financing, including but not limited to, covenants relating to:

- permission to the Tax-Exempt Bond Trustee and its agents to enter and inspect the project site on which the Natgas Facility is constructed;
- compliance with laws and regulations and obtaining all permits required for the construction of the Natgas Facility;
- operation and maintenance of the construction and, ultimately, the operation of the Natgas Facility;
- payment of taxes and maintenance of the tax-exempt status of the Tax-Exempt Bonds;
- preservation and maintenance of security interests;
- maintenance of insurance;
- maintenance of books and records and compliance with certain customary information covenants;
- creation of certain liens;
- restrictions on the incurrence of financial indebtedness, asset sales (subject to a materiality threshold of US$7.5 million per annum in the aggregate), transactions with affiliates, engaging in business activities other than permitted businesses, consolidations, mergers and acquisitions;
- declare or pay dividends (see below "—Restrictions on Dividend Payments"); and
- effect certain investments.

Each of the covenants in the Financing Agreement and the Tax-Exempt Bond Indenture is subject to significant exceptions and qualifications.

Restrictions on Dividend Payments

The Financing Agreement provides that Natgas may generally not declare or pay any dividend or distributions other than certain funds on deposit in a surplus fund established and maintained by the collateral agent, which may be distributed to an account (or to such person) as directed by Natgas in writing at its sole discretion, *provided that*, on or as of the date of such distribution:

- Certain periodic transfers and distributions required to be made pursuant to the collateral agency agreement will have been satisfied;

- no event of default has occurred and is continuing, or would occur as a direct result of such proposed distribution;
- Natgas, for the twelve-month period ending on the last day of the fiscal quarter prior to such distribution would have had a debt service coverage ratio as of the last day of such twelve-month period that would have exceeded 1.50 to 1.00;
- Natgas, for the twelve month period commencing on the first day of the next succeeding fiscal quarter would have had a debt service coverage ratio that is projected to exceed 1.50 to 1.00, based on reasonable projections made by Natgas; and
- the Provisional Acceptance Date and the Lender's Reliability Test Completion Date (both as defined in the Financing Agreement) have both occurred.

Events of Default

Financing Agreement

The Financing Agreement contains certain events of default that are customary for this type of financing (including, subject to a materiality threshold of US$10.0 million in aggregate, a cross default in relation to financial indebtedness of Natgas). If an event of default has occurred and is continuing, the Financing Agreement provides that the Tax-Exempt Bond Trustee upon notice by holders of at least 50% in aggregate principal amount of the outstanding Tax-Exempt Bonds can declare the unpaid balance of the amounts payable under the Financing Agreement due and payable immediately, *provided* that concurrently with such declaration the unpaid principal amount under the Tax-Exempt Bonds have been declared due and payable under the Tax-Exempt Bond Indenture. In case of the occurrence of certain events of bankruptcy or insolvency, the unpaid balance of the amounts payable under the Financing Agreement will become due and payable automatically, without the need for any declaration.

Tax-Exempt Bond Indenture

The Tax-Exempt Bond Indenture contains customary events of default (subject to cure periods and other exceptions where appropriate), including defaults in the payment of principal, premium or interest, defaults in the compliance with covenants contained in the Tax-Exempt Bond Indenture and all of the events of defaults as specified in the Financing Agreement (see above). If an event of default has occurred and is continuing, the Tax-Exempt Bond Indenture provides that the Tax-Exempt Bond Trustee may upon direction of the holders of at least 50% in aggregate principal amount of the outstanding Tax-Exempt Bonds declare all the Tax-Exempt Bonds due and payable immediately (in case of the occurrence of certain events of bankruptcy or insolvency as specified in the Financing Agreement, the Tax-Exempt Bonds will become due and payable automatically, without the need for any declaration).

Promissory Note

Overview

On August 30, 2016, Natgas refinanced in its entirety the outstanding principal of the second amended and restated promissory note dated July 22, 2016 (the "Second Amended and Restated Note"), in the amount of US$279,223,253.25 with the third amended and restated promissory note (the "Promissory Note"). The Promissory Note is payable in favor of the Public Finance Authority as well as in favor of any other registered holders of the Promissory Note from time to time (together, the "Promissory Note Holders").

The Second Amended and Restated Note refinanced and reduced the outstanding principal amount of the amended and restated promissory note dated April 13, 2016 (the "Amended and Restated Note"), from US$511,000,000 to US$279,223,253.25. The proceeds from the Amended and Restated Note were used to refinance prior loans made to Natgas by OCI in connection with the construction of the Natgas Project.

The Promissory Note is governed by the laws of the State of Delaware.

Interest, Maturity and Repayment

The Promissory Note will mature on June 30, 2021 and accrue interest at a rate of 10.0% per annum, payable semi-annually on February 1 and August 1 of each year.

Prepayment

Subject to certain conditions, Natgas may prepay the Promissory Note at any time without penalty, save for prepayments derived from funds described in "Refi Indebtedness" below and made prior to September 30, 2017, which shall be subject to an additional 2.0% premium on the principal amounts being prepaid; provided, however, that Natgas prepays the Promissory Note to the extent permitted under the Tax-Exempt Bonds to each Promissory Note Holder on a *pro rata* basis.

Tax-Exempt Bond

On and after the Natgas Project becomes commercially operational, Natgas can, under the terms of the Promissory Note prepay outstanding principal as well as incurred yet unpaid interest from 100.0% of Available Cash (as defined below).

For the purposes of the Promissory Note, "Available Cash" means, as of the first business day of each quarter, all amounts available to Natgas after (i) the payment of all costs incurred during such period, (ii) scheduled debt service costs concerning (A) any indebtedness outstanding under the Tax-Exempt Bond and (B) any Refi Indebtedness (as defined below), (iii) payments of or amounts reserved for Tax Distributions (as defined below), and (iv) customary working capital cash as stipulated in the reserve requirement in the Tax-Exempt Bond.

Refi Indebtedness

Natgas can prepay the Promissory Note from 100.0% of the net proceeds of all debt (A) raised from shareholders of Natgas as well and direct and indirect parent companies, excluding, however Shareholder Contingency Loans (as defined in the Senior Bond Financing Agreement dated May 1, 2016) in the principal amount of up to US$100,000,000 (the "Shareholder Indebtedness") or (B) otherwise incurred by Natgas (the "Refi Indebtedness") in whole or in part, net of any fees and transaction expenses and the funding of any capitalized interest and debt service reserves connected thereto.

Representations and Warranties of Natgas

The Promissory Note contains representations and warranties customary for this type of financing relating to:

- corporate existence;
- power and authority;
- due authorization;
- execution, delivery and performance of the Promissory Note;
- enforceability;
- no violation of organizational documents, law, court order or material agreement; and
- absence of litigation that would threaten Natgas' performance under the Promissory Note

Covenants

The Promissory Note contains affirmative and negative covenants customary for this type of financing, which, in turn, are subject to certain agreed amendments and exceptions, including but not limited to, covenants relating to:

- maintenance of legal existence and authority to conduct business;
- financial statements;
- maintenance of insurance;
- compliance with laws;
- payment of taxes;
- restricted payments (see below under "—Restrictions on Dividend Payments" regarding dividends specifically);
- negative pledge (i.e. restrictions on the granting and subsistence of security, other than in the ordinary course of business or as permitted by the Tax-Exempt Bonds and any Refi Indebtedness);
- restrictions on the incurrence of financial indebtedness (other than Shareholder Contingency Loans, Shareholder Indebtedness, the Tax-Exempt Bonds and Refi Indebtedness);
- restrictions agreements prohibiting or impairing Natgas in performing its obligations under the Promissory Note (other than as contemplated by the Tax-Exempt Bonds and any Refi Indebtedness); and
- prohibition on amending, waiving or modifying part of the Tax-Exempt Bond Indenture dated May 1, 2016, between Natgas and The Bank of New York Mellon Trust Company, N.A.

Restrictions on Dividend Payments

The Promissory Note provides that Natgas may generally not, directly or indirectly, declare or pay any dividend or make any other payment or distribution on account of the equity interests of Natgas, without the prior written consent of the Promissory Note Holders. However, Natgas is permitted, without obtaining the prior written consent of the Promissory Note Holders, to make distributions in an amount enabling any of Natgas' direct or indirect equity owners to pay taxes incurred by their ownership in Natgas for any taxable period in which Natgas is classified as a disregarded entity, partnership or other pass-through entity for United States federal income tax purposes (such distributions being the "Tax Distributions").

Events of Default, Default Rate and Remedies

The Promissory Note contains certain events of default that are customary for this type of financing (including, subject to a materiality threshold of US$25.0 million in aggregate). The occurrence of any such event of default would, subject to any applicable grace periods or cure rights and agreed exceptions, entitle the Promissory Note Holders to (i) receive a payment of a default interest charge at a rate of 2.0% interest per annum, payable monthly in arrears, (ii) accelerate the Promissory Note, (iii) to proceed to protect, enforce, exercise and pursue any and all rights and remedies available to the Promissory Note Holders under the Promissory Note and any other agreement or instrument and any and all rights and remedies available to the Promissory Note Holders at law or in equity and (iv) collect reasonable attorneys' fees for all Promissory Note Holders as well as all other reasonable costs and expenses incurred in connection with Natgas' default on the Promissory Note.

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31 March 2017

Consolidated Energy Ltd, Wollerau (Switzerland)

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To the Board of Directors of
Consolidated Energy Ltd, Wollerau

Zurich, 12 May 2017

Report on the review of interim condensed consolidated financial statements

Introduction

We have reviewed the interim condensed consolidated financial statements (consolidated statement of financial position, consolidated statement of profit/(loss) and total comprehensive income/(loss), consolidated statement of changes in equity, consolidated statement of cash flow, and notes) of Consolidated Energy Ltd for the period from 1 January 2017 to 31 March 2017. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”.

Ernst & Young Ltd

Martin Mattes
Licensed audit expert
(Auditor in charge)

Pascal Solèr
Licensed audit expert

Consolidated Energy Ltd, Wollerau (Switzerland)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2017

	Note	Unaudited March 31, 2017 USD'000	Audited December 31, 2016 USD'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	3,609,524	3,566,407
Intangible assets	8	565,723	569,019
Investment property	7	46,348	46,348
Investments in associates	9	463,883	457,222
Non-financial assets		1,511	3,972
Net employee defined benefit assets		11,398	11,398
Deferred tax assets		89,391	102,550
Total non-current assets		**4,787,778**	**4,756,916**
Current assets			
Inventories		128,241	127,585
Trade and other receivables	10	341,518	223,931
Income tax receivables		4,678	5,244
Marketable securities	10	112,000	29,015
Restricted cash		45,141	28,334
Cash and cash equivalents		49,226	258,012
Total current assets		**680,804**	**672,121**
TOTAL ASSETS		**5,468,582**	**5,429,037**
LIABILITIES AND EQUITY			
Equity			
Share capital		20,877	20,877
Capital reserves		302,431	305,198
Retained earnings		1,060,682	1,082,611
Equity attributable to equity holder of the parent		**1,383,990**	**1,408,686**
Non-controlling interests		767,254	764,892
TOTAL EQUITY		**2,151,244**	**2,173,578**
Non-current liabilities			
Borrowings and loans	10	2,316,281	2,299,236
Derivatives	10	5,191	2,247
Deferred tax liabilities		411,226	422,174
Provisions	11	386,099	385,730
Total non-current liabilities		**3,118,797**	**3,109,387**
Current liabilities			
Borrowings and loans	10	627	1,849
Trade and other payables	10	196,675	143,019
Income tax liabilities		1,239	1,204
Total current liabilities		**198,541**	**146,072**
TOTAL LIABILITIES		**3,317,338**	**3,255,459**
TOTAL LIABILITIES AND EQUITY		**5,468,582**	**5,429,037**

Consolidated Energy Ltd, Wollerau (Switzerland)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT/-LOSS AND TOTAL COMPREHENSIVE INCOME/-LOSS FOR THE THREE MONTHS ENDED MARCH 31, 2017

	Note	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Net sales		**294,336**	**225,800**
Other income		6,824	23
Purchase of materials, goods and services		(207,531)	(156,444)
Change in finished goods		4,125	3,358
Personnel expenses		(2,590)	(470)
Other operating expense		(32,597)	(24,496)
Share of profit from associates	9	7,943	3,140
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**70,510**	**50,911**
Depreciation, amortisation and impairment	6, 8, 11	(53,994)	(48,086)
Earnings before interest and taxes (EBIT)		**16,516**	**2,825**
Financial income		1,348	883
Financial expenses		(36,122)	(30,086)
Financial result, net		**(34,774)**	**(29,203)**
Net loss before taxes (EBT)		**(18,258)**	**(26,378)**
Income tax	13	(4,114)	(8,730)
Net loss for the period/Total comprehensive loss		**(22,372)**	**(35,108)**
Net loss attributable to:			
Equity holders of the parent		(18,552)	(26,330)
Non-controlling interests		(3,820)	(8,778)

Consolidated Energy Ltd, Wollerau (Switzerland)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED MARCH 31, 2017

	Share capital USD'000	Capital reserves USD'000	Retained earnings USD'000	Total parent equity USD'000	Non-controlling interests USD'000	Total equity USD'000
As of January 1, 2017	**20,877**	**305,198**	**1,082,611**	**1,408,686**	**764,892**	**2,173,578**
Total comprehensive loss						
Net loss for the period	–	–	(18,552)	**(18,552)**	(3,820)	**(22,372)**
Total comprehensive loss	**–**	**–**	**(18,552)**	**(18,552)**	**(3,820)**	**(22,372)**
Change in non-controlling interest	–	(2,796)	(3,377)	**(6,173)**	6,173	**–**
Stock based compensation	–	29	–	**29**	9	**38**
As of March 31, 2017 (unaudited)	**20,877**	**302,431**	**1,060,682**	**1,383,990**	**767,254**	**2,151,244**

	Note	Share capital USD'000	Capital reserves USD'000	Retained earnings USD'000	Total parent equity USD'000	Non-controlling interests USD'000	Total equity USD'000
As of January 1, 2016		**54,075**	**–**	**1,024,008**	**1,078,083**	**385,762**	**1,463,845**
Total comprehensive income							
Net loss for the period		–	–	(26,330)	**(26,330)**	(8,778)	**(35,108)**
Total comprehensive income		**–**	**–**	**(26,330)**	**(26,330)**	**(8,778)**	**(35,108)**
Acquisition of non-controlling interest	1	18,025	–	358,959	**376,984**	(376,984)	**–**
As of March 31, 2016 (unaudited)		**72,100**	**–**	**1,356,637**	**1,428,737**	**–**	**1,428,737**

Consolidated Energy Ltd, Wollerau (Switzerland)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE THREE MONTHS ENDED MARCH 31, 2017

	Note	Unaudited March 31, 2017 USD'000	Unaudited March 31, 2016 USD'000
Cash flow from operating activities			
Net loss before taxes		**(18,258)**	**(26,378)**
Adjustments for:			
Depreciation, amortisation and impairment	6,8,11	53,994	48,086
Change in provisions		2,659	2,410
Share of result of associates	9	(7,943)	(3,140)
Interest expense, net		29,953	24,325
Interest income, net		(48)	(348)
Fair value change of derivatives		2,944	–
Profit on disposal of property, plant and equipment		1,195	–
Stock based compensation expense		38	–
Other non-cash items		13,746	3,311
Working capital adjustments:			
Trade and other receivables		(117,587)	43,138
Inventories		(656)	(13,921)
Trade and other payables		46,434	302
Income tax paid		(1,321)	(1,328)
Net cash flow from operating activities		**5,150**	**76,457**
Cash flow from investing activities			
Purchases of property, plant and equipment		(105,062)	(29,474)
Loan to related party		–	(8,850)
Purchase of marketable securities		(82,985)	–
Dividends received		–	4,054
Proceeds from reduction in investments in associated companies	9	1,283	–
Decrease in restricted cash		(16,664)	–
Interest received		134	–
Net cash flow from investing activities		**(203,294)**	**(34,270)**
Cash flow from financing activities			
Repayment of borrowings		(1,784)	(725)
Interest paid		(8,858)	(5,869)
Net cash flow from financing activities		**(10,642)**	**(6,594)**
Net change in cash and cash equivalents		**(208,786)**	**35,593**
Cash at beginning of the period		258,012	213,920
Cash at end of the period		49,226	249,513
Change in cash and cash equivalent		**(208,786)**	**35,593**

Consolidated Energy Ltd, Wollerau (Switzerland)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2017

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Consolidated Energy Ltd, Wollerau (Switzerland)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2017

1. General information

The interim consolidated financial statements of Consolidated Energy Limited ("the Company" or "Parent Company" or "CEL (CH)") and its subsidiaries (collectively "Group" or "CEL Group") for the three months ended March 31, 2017 were authorised for issue in accordance with the resolution of the directors on May 12, 2017.

The principal subsidiaries consolidated within these financial statements are summarised below as follows:

Subsidiary, location		Ownership interest March 31, 2017 in %	Ownership interest December 31, 2016 in %
OPAG (Barbados) Ltd, Barbados	OPAG	100.0	100.0
Consolidated Energy Limited, Barbados	CELBBS	100.0	100.0
FS Petrochemicals (St. Kitts) Ltd, St. Kitts and Nevis	FSP	100.0	100.0
Methanol Holdings (Trinidad) Ltd, Trinidad and Tobago	MHTL	100.0	100.0
Methanol Holdings (Delaware) LLC, USA	MHDL	100.0	100.0
Consolidated Energy Finance SA, Luxemburg	CEF	100.0	100.0
G2X Energy, Inc., USA*	**G2X**	**77.2**	**74.60**
Big Lake Fuels Holdings LLC, USA	BLFH	77.2	74.60
Big Lake Fuels LLC, USA	BLF	77.2	74.60
G2X Resources LLC, USA	G2XR	77.2	74.60
TRDC LLC, USA	TRDC	77.2	74.60
G2X Energy GP LLC, USA	G2XGP	77.2	74.60
G2X Energy LP, USA	G2XLP	77.2	74.60
G2X Energy (Beaumont) LLC, USA	G2XB	77.2	74.60
Firewater LLC, USA	FW	38.6	37.30
Natgasoline Land Holding LLC, USA	NGL	38.6	37.30
Natgasoline LLC, USA	NG	38.6	37.30
Pampa Fuels LLC, USA	PF	77.2	74.60
G2X Energy Marketing LLC, USA	G2XM	77.2	74.60
G2X Energy Plant Services LLC, USA	G2XPS	77.2	74.60

* *18.5% of the total NCI of 22.8% in G2X is indirectly held by Proman Holding AG, Wollerau ("PHAG"), the ultimate parent of CEL (CH) (20.6% of the total NCI of 25.4% on December 31, 2016).*

At December 31, 2015 the shareholders of OPAG's subsidiary "CELBBS" were the following:

- 75% were held by OPAG, which was fully owned by PHAG,
- 25% were held by MFH, which is fully owned by Helm AG, a company registered in Germany.

On March 24, 2016, MFH made a contribution-in-kind of all their 25% CELBBS shares into OPAG in exchange for 25% shares of OPAG. As a result, CELBBS became a 100% subsidiary of OPAG and the shareholding in OPAG matched the former shareholding of CELBBS (PHAG (75%) and MFH (25%)).

The Group acquired G2X in Q2 2016, as a result, the comparative amounts of Q1 2016 do not include G2X.

2. Basis of preparation

These interim condensed consolidated financial statements for the three months ended March 31, 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated

2. Basis of preparation (continued)

financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual audited consolidated financial statements as at December 31, 2016 of the Group, which have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB).

3. Accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2016. Accounting policies for transactions or events in connection with the reorganization of the Group have been disclosed in these interim financial statements where relevant to an understanding of these transactions or the resulting information.

In 2017 the Group has implemented various minor amendments to existing standards and interpretations, which have no impact on the Group's overall results and financial position.

4. Critical accounting estimates and judgements

The preparation of interim condensed consolidated financial statements 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. There was no material change in accounting estimates and judgements compared to the year-end 2016. Actual results may differ from these estimates.

5. Significant changes in the current reporting period

During the first quarter 2017, CEL (CH) increased its interest in its subsidiary G2X to 77.17 % (December 31, 2016: 74.60%) by way of a $ 88.9 million capital increase (non-cash transaction from a group perspective).

General gas supply limitations imposed by the National Gas Company on all of its customers have led the Group to temporarily place two of its five Methanol plants off-line. While temporarily underutilized manpower costs are being absorbed by the Group, the Group continuously monitors its headcount requirements and regularly adjusts its plant operations. In February 2017, a further streamlining of its workforce was announced which had a one-off negative financial impact on the first quarter 2017 of $ 3.9 million.

6. Property, plant and equipment

Property, plant and equipment, including land March 31, 2017	**Plant, buildings & machinery (incl. land) USD'000**	**PP&E under construction USD'000**	**Office furniture & equipment USD'000**	**Total USD'000**
Opening balance net	2,075,174	1,487,470	3,763	**3,566,407**
Additions	19,088	79,052	181	**98,321**
Disposals	(1,195)	–	–	**(1,195)**
Depreciation current period	(53,810)	–	(199)	**(54,009)**
Closing balance net	**2,039,257**	**1,566,522**	**3,745**	**3,609,524**

During the three months ended March 31, 2017, the Group invested $ 77.9 million in the construction of the plant in Natgasoline LLC.

7. Investment properties

Investment properties	Unaudited March 31, 2017 USD'000	Audited December 31, 2016 USD'000
Opening balance net	46,348	–
Additions	–	46,348
Closing balance net	**46,348**	**46,348**

Amount reported relates to an investment property adjacent to the acquired Natgasoline plant.

8. Intangible assets

Intangible assets March 31, 2017	Goodwill USD'000	Patents & licenses USD'000	Contract-related USD'000	Total USD'000
Opening balance net	514,572	5,009	49,438	569,019
Amortisation	–	–	(3,296)	(3,296)
Closing balance net	**514,572**	**5,009**	**46,142**	**565,723**

The contract-related intangible assets relate to favorable terms of a raw material supply contract of the subsidiary, Methanol Holdings (Trinidad) Limited, relative to market conditions at the acquisition date. This intangible asset is being amortised over the remaining contract period of six years.

The amount amortised for the period ended March 31, 2017 of $ 3.3 million (March 31, 2016: $ 3.3 million) is included in depreciation, amortisation and impairment.

9. Investments in associates

The amounts recognised in the statement of financial position are as follows:

Investments in associates	Unaudited March 31, 2017 USD'000	Audited December 31, 2016 USD'000
Methanol Holdings (International) Limited	275,156	269,334
Caribbean Nitrogen Company Limited	97,501	96,356
Nitrogen (2000) Unlimited	91,226	91,532
Total	**463,883**	**457,222**

9. Investments in associates (continued)

Share of results of associates	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Methanol Holdings (International) Limited	5,822	(680)
Caribbean Nitrogen Company Limited	1,145	2,246
Nitrogen (2000) Unlimited	976	1,574
Total	**7,943**	**3,140**

Dividends from associates	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Nitrogen (2000) Unlimited	–	1,822
Caribbean Nitrogen Company Limited	–	2,231
Total	**–**	**4,053**

During the reporting period, the Board of Nitrogen (2000) Unlimited approved a reduction in the stated capital of the company by an amount of $ 4.3 million, which resulted in cash proceeds from the reduction of this investment of $ 1.3 million for the Group.

The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation is their principal place of business.

Name of entity	Country of incorporation	% of ownership
Methanol Holdings (International) Limited	St. Kitts and Nevis	43.47%
Caribbean Nitrogen Company Limited	Trinidad and Tobago	30.00%
Nitrogen (2000) Unlimited	Trinidad and Tobago	30.00%

10. Financial assets and financial liabilities

Set out below is an overview of financial assets (other than cash) and financial liabilities held by the Group as at March 31, 2017 and December 31, 2016:

Financial assets:	**Unaudited March 31, 2017**		**Audited December 31, 2016**	
	Carrying amount USD'000	**Fair value USD'000**	**Carrying amount USD'000**	**Fair value USD'000**
Financial assets at amortised cost				
Cash	49,226	49,226*	258,012	258,012*
Restricted cash	45,141	45,141*	28,334	28,334*
Trade and other receivables excluding prepaid expense	319,262	319,262*	205,166	205,166*
Available-for-sale investments				
Quoted debt security	112,000	112,000*	29,015	29,015*
Total	**525,629**		**520,527**	
Thereof current	**525,629**		**520,527**	
Thereof non-current	**–**		**–**	

Financial liabilities at amortised cost:	**Unaudited March 31, 2017**		**Audited December 31, 2016**	
	Carrying amount USD'000	**Fair value USD'000**	**Carrying amount USD'000**	**Fair value USD'000**
Notes in issue				
Senior fixed rate notes	1,022,566	1,057,875	1,020,233	1,055,250
Senior floating rate notes	194,774	194,872	194,330	193,290
Total notes in issue	**1,217,340**		**1,214,563**	
Other borrowings				
Revolving credit facility	300,000	300,000*	300,000	300,000*
Mortgage payable	787	787*	793	793*
Pass-through revenue bonds	295,102	296,113	281,125	282,012
Senior lien revenue bonds, series 2016A	45,476	52,500	45,424	51,688
Senior lien revenue bonds, series 2016B	182,641	213,029	182,405	209,732
Reserve-based credit facility	3,135	3,135*	3,133	3,133*
7 year secured term loan	272,427	304,715	272,585	300,101
Other notes payable	–	–	1,057	1,057*
Total other borrowings	**1,099,568**		**1,086,522**	

10. Financial assets and financial liabilities (continued)

Financial liabilities at amortised cost:	**Unaudited March 31, 2017**		**Audited December 31, 2016**	
	Carrying amount USD'000	**Fair value USD'000**	**Carrying amount USD'000**	**Fair value USD'000**
Borrowings and loans	**2,316,908**		**2,301,085**	
Less: borrowings and loans (current)	(627)		(1,849)	
Non current borrowings and loans	**2,316,281**		**2,299,236**	
Trade and other payables	196,675	196,675*	143,019	143,019*
Total trade and other payables	**196,675**		**143,019**	

* *The carrying amount is a reasonable approximation of fair value.*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group entered into call and put options securities to manage the exposure to changes in natural gas feedstock to the future plant. These derivative instruments are not designated as hedges. Consequently, all changes in the fair value of the derivatives are recognized in the statement of profit or loss. They are categorised as level 2 instruments.

In estimating the fair value of commodity options, the Group uses market observable data, to the extent available. Where level 1 inputs are not available, the Group uses market observable data for similar exchange traded instruments. The fair value of the Group's instruments includes an adjustment for deferred credit risk.

The following table sets forth the fair values of the outstanding derivatives:

Derivatives	**Gross amounts of recognised assets USD'000**	**Gross amounts of recognised liabilities USD'000**	**Net amounts presented in the consolidated balance sheets USD'000**
As of March 31, 2017:			
Long term derivative instruments	15,344	20,535	5,191
Total	**15,344**	**20,535**	**5,191**

11. Provisions

Provisions (non-current)	Unaudited March 31, 2017 Total USD'000	Audited December 31, 2016 Total USD'000
Decomissioning costs	238,163	234,450
Contract-related liabilities	147,936	151,280
Total provisions	**386,099**	**385,730**

Decommissioning costs

The Group's subsidiaries operate ten petrochemical plants with varying useful lives. In accordance with IAS 37, provisions are recognized for the present value of costs to be incurred in the future for the decommissioning of these plants.

Contract-related liabilities

The contract-related liabilities arise from unfavorable terms of charter hire contracts for marine vessels and one of the sales contracts of the subsidiary, MHTL compared to market conditions at the acquisition date. The liability on the charter hire contracts is being amortised on a straight line basis over the remaining life of each of the vessel contracts and the expense is included in depreciation, amortisation and impairment. Amortisation of contract-related liabilities during the period was $ 3.3 million (Q1 2016: $ 3.3 million).

12. Related party balances and transactions

The following transactions were carried out with related parties:

Sales of goods and services	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Entities with a significant influence over the Group	73,667	–
Ultimate parent group companies	–	115,267
Associates	3,742	–
Other related parties	243,768	110,891
Total sales of goods and services	**321,177**	**226,158**

Other income	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Ultimate parent group companies	12	6
Associates	20	17
Total other income	**32**	**23**

12. Related party balances and transactions (continued)

Purchases of goods and services	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Entities with a significant influence over the Group	5,705	1,258
Ultimate parent group companies	14,452	20,737
Associates	844	2,058
Other related parties	18	7,369
Total purchases of goods and services	**21,019**	**31,422**

Other expenses	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Ultimate parent Group companies	13	–
Other related parties	1	–
Total other expenses	**14**	**–**

Receivables from related parties	Unaudited March 31, 2017 USD'000	Audited December 31, 2016 USD'000
Entities with significant influence over the Group	9,699	13,131
Ultimate parent group companies	2,237	4,534
Associates	3,088	2,047
Other related parties	241,347	135,709
Total receivables	**256,371**	**155,421**

Payables to related parties	Unaudited March 31, 2017 USD'000	Audited December 31, 2016 USD'000
Entities with significant influence over the Group	2,486	23
Ultimate parent group companies	10,508	11,848
Associates	1,966	2,266
Other related parties	6,343	4,579
Total payables	**21,303**	**18,716**

13. Income tax

The group calculates the period income tax expenses using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statement of profit or loss are:

Income tax	Unaudited Three months ended March 31, 2017 USD'000	Unaudited Three months ended March 31, 2016 USD'000
Current income tax	1,903	1,440
Deferred income tax	2,211	7,290
Total	**4,114**	**8,730**

14. Commitments and contingencies

Commitments

The Group has the following commitments as at March 31, 2017:

Commitments		Unaudited March 31, 2017 USD'000	Audited December 31, 2016 USD'000
Capital commitments	a)	152,200	219,000
Operating lease commitments	b)	1,063,185	1,287,790
Drilling carry	c)	166,000	167,000
Total		**1,381,385**	**1,673,790**

a) Capital commitments

The Group has the following capital commitments as at March 31, 2017:

- MHTL - $ 12 million (December 31, 2016: $ 9 million)
- Firewater - $ 140.2 million (December 31, 2016: $ 210 million)

b) Operating lease commitments

The Group leases its manufacturing and administration sites, land, methanol and marine vessels and shipping facilities under non-cancellable lease arrangements for varying periods. As at March 31, future minimum lease payments for the Group are as follows:

Operating lease commitments	Unaudited March 31, 2017 USD'000	Audited December 31, 2016 USD'000
Up to one year	90,734	110,030
Two to five years	365,938	441,195
Over five years	606,513	736,565
Total	**1,063,185**	**1,287,790**

14. Commitments and contingencies (continued)

Commitments (continued)

c) Drilling carry

The Group agreed to fund a portion of its operator's well costs on each well up to a total amount of $ 170 million ("Drilling Carry"). The amount of the Drilling Carry for each well is equal to 45% of Terra Energy Partners (third party) 51% working interest on well costs. A wellbore interest is earned as each well is drilled and completed. Upon full satisfaction of the Drilling Carry, the Group will have earned 49% interest in the wellbore as well as the leasehold associated with all existing wells and future drilled wells. As of March 31, 2017, the Group has a remaining Drilling Carry commitment of $ 166.0 million.

Contingencies

The Group has disclosed its contingencies in the year-end 2016 annual report. During the reporting period no changes have occurred.

15. Seasonality of operations

The business of the Group is not characterized by seasonality. However operating results may not be evenly spread throughout the year due to a range of factors including but not limited to, petrochemical prices, which are internationally determined, and plant maintenance activities.

16. Events after the reporting period

On April 12, 2017 MHTL entered into a gas supply contract with its natural gas supplier in Trinidad for the supply of natural gas to its methanol plants M1 through M4 until the end of June 2017, as part of an ongoing negotiations aiming for longer term contracts for further increased gas supply.

CONSOLIDATED ENERGY LIMITED, WOLLERAU (SWITZERLAND)

Consolidated Financial Statements

December 31, 2016

CEL(CH) GROUP COMPANIES

CEL(CH)	**Consolidated Energy Limited (Switzerland)**
CEL BBS	**Consolidated Energy Limited (Barbados)**
MHTL	**Methanol Holdings (Trinidad) Ltd**
G2X	**G2X Energy, Inc.**
PF	**Pampa Fuels LLC**
BLFH	**Big Lake Fuels Holdings LLC**
BLF	**Big Lake Fuels LLC**
TRDC	**TRDC LLC**
G2XR	**G2X Resources LLC**
G2XM	**G2X Energy Marketing LLC**
G2XPS	**G2X Energy Plant Services LLC**
G2XGP	**G2X Energy GP LLC**
G2XLP	**G2X Energy LP**
G2XB	**G2X (Beaumont) LLC**
FW	**Firewater LLC (Delaware)**
NGL	**Natgasoline Land Holding LLC (Delaware)**
NG	**Natgasoline LLC (Delaware)**
CEF	**Consolidated Energy Finance SA**
OPAG	**OPAG (Barbados) Ltd**
FSP	**FS Petrochemicals (St. Kitts) Ltd**
MHDL	**Methanol Holdings (Delaware) LLC**

CEL(CH) ASSOCIATED COMPANIES

OMC	**Oman Methanol Company LLC**
MHIL	**Methanol Holdings (International) Ltd**
CNC	**Caribbean Nitrogen Company Ltd**
N2K	**Nitrogen (2000) Unlimited**

CONSOLIDATED ENERGY LIMITED, WOLLERAU

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTE	DECEMBER 31, 2016	DECEMBER 31, 2015
ASSETS			
Non-current assets		**USD'000**	**USD'000**
Property, plant and equipment	13	3,566,407	2,007,968
Intangible assets	15	569,019	577,194
Investment property	14	46,348	–
Investments in associates	10.2	457,222	464,847
Non-financial assets	17	3,972	–
Net employee defined benefit assets	24	11,398	11,853
Deferred tax assets	12	102,550	133,274
Total non-current assets		**4,756,916**	**3,195,136**
Current assets			
Inventories	18	127,585	125,100
Trade and other receivables	19	223,931	454,124
Income tax receivables		5,244	5,244
Marketable securities	16.1	29,015	–
Restricted cash	20	28,334	–
Cash and cash equivalents	21	258,012	213,920
Total current assets		**672,121**	**798,388**
TOTAL ASSETS		**5,429,037**	**3,993,524**
LIABILITIES AND EQUITY			
Equity			
Share capital		20,877	54,075
Capital reserves		305,198	–
Retained earnings		1,082,611	1,024,008
Equity attributable to equity holders of the parent		**1,408,686**	**1,078,083**
Non-controlling interests		764,892	385,762
Total equity		**2,173,578**	**1,463,845**
Non-current liabilities			
Borrowings and loans	16.2	2,299,236	1,475,825
Derivatives	16.3	2,247	–
Deferred tax liabilities	12	422,174	434,122
Provisions	23	385,730	398,276
Total non-current liabilities		**3,109,387**	**2,308,223**
Current liabilities			
Borrowings and loans	16.2	1,849	60,857
Trade and other payables	25	143,019	150,643
Income tax liabilities		1,204	9,956
Total current liabilities		**146,072**	**221,456**
TOTAL LIABILITIES AND EQUITY		**5,429,037**	**3,993,524**

CONSOLIDATED STATEMENT OF PROFIT/(LOSS)

	NOTE	2016 USD'000	2015 USD'000
Net sales	11.1	**711,592**	**1,188,879**
Other income	11.2	23,983	14,905
Purchase of materials, goods and services	11.4	(363,380)	(749,598)
Change in finished goods		(16,591)	(13,756)
Employee benefits expense	11.5	(8,878)	(2,225)
Other operating expense	11.6	(141,950)	(97,765)
Share of profit (loss) from associates	10.2	10,517	39,821
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**215,293**	**380,261**
Depreciation, amortisation and impairment	13, 15, 23	(202,990)	(189,760)
Earnings before interest and taxes (EBIT)		**12,303**	**190,501**
Financial income	11.3	2,370	1,763
Financial expense	11.7	(134,130)	(123,181)
Financial result, net		**(131,760)**	**(121,418)**
Profit (loss) before taxes (EBT)		**(119,457)**	**69,083**
Income tax	12	(24,266)	(43,125)
Net profit (loss) for the period		**(143,723)**	**25,958**
Net profit (loss) attributable to:			
Equity holders of the parent		(127,126)	19,422
Non-controlling interests		(16,597)	6,536

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME/(LOSS)

	2015		
	Owners of the parent USD'000	Non-controlling interests USD'000	Total USD'000
Net profit (loss)	**19,422**	**6,536**	**25,958**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	(1,043)	(348)	(1,391)
Income tax effect	365	122	487
Other comprehensive income / (loss)	**(678)**	**(226)**	**(904)**
Total comprehensive income / (loss)	**18,744**	**6,310**	**25,054**

	2016		
	Owners of the parent USD'000	Non-controlling interests USD'000	Total USD'000
Net profit (loss)	**(127,126)**	**(16,597)**	**(143,723)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	(417)	–	(417)
Income tax effect	146	–	146
Other comprehensive income / (loss)	**(271)**	**–**	**(271)**
Total comprehensive income / (loss)	**(127,397)**	**(16,597)**	**(143,994)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital USD'000	Capital reserves USD'000	Retained earnings USD'000	Total parent equity USD'000	Non-controlling interests USD'000	Total equity USD'000
As of January 1, 2015	**54,075**	**–**	**1,005,664**	**1,059,739**	**379,452**	**1,439,191**
Total comprehensive income / (loss)						
Net profit (loss) for the period	–	–	19,422	19,422	6,536	25,958
Other comprehensive income	–	–	(678)	(678)	(226)	(904)
Total comprehensive income / (loss)	**–**	**–**	**18,744**	**18,744**	**6,310**	**25,054**
Dividend paid	–	–	(400)	(400)	–	(400)
As of December 31, 2015	**54,075**	**–**	**1,024,008**	**1,078,083**	**385,762**	**1,463,845**

	Share capital USD'000	Capital reserves USD'000	Retained earnings USD'000	Total parent equity USD'000	Non-controlling interests USD'000	Total equity USD'000
As of January 1, 2016	**54,075**	**–**	**1,024,008**	**1,078,083**	**385,762**	**1,463,845**
Total comprehensive income / (loss)						
Net profit (loss) for the period	–	–	(127,126)	(127,126)	(16,597)	(143,723)
Other comprehensive income	–	–	(271)	(271)	–	(271)
Total comprehensive income / (loss)	**–**	**–**	**(127,397)**	**(127,397)**	**(16,597)**	**(143,994)**
Changes in scope of consolidation						
Acquisition of 25% CEL BBS / Incorporation of CEL(CH)	(33,198)	57,412	352,774	376,988	(376,983)	5
Acquisition of G2X and Firewater	–	–	(156,202)	(156,202)	765,099	608,897
Other						
Capital increase (net)	–	247,500	–	247,500	–	247,500
Change in non-controlling interests	–	–	(10,572)	(10,572)	7,514	(3,058)
Share-based compensation	–	286	–	286	97	383
As of December 31, 2016	**20,877**	**305,198**	**1,082,611**	**1,408,686**	**764,892**	**2,173,578**

CONSOLIDATED STATEMENT OF CASH FLOWS

	NOTE	2016 USD'000	2015 USD'000
Cash flow from operating activities			
Profit / (loss) before taxes		**(119,457)**	**69,083**
Adjustments:			
Depreciation and amortisation	13, 15, 23	202,990	126,329
Impairment of goodwill	15	–	63,431
Interest expense	11.7	116,319	115,392
Interest income on loans		(1,074)	(215)
Share of results of associates	10.2	(10,517)	(39,821)
Fair value change of derivatives	11.7	2,247	–
(Profit)/Loss on disposal of property, plant and equipment		16,759	–
Share-based compensation		383	–
Movements in provisions and pensions		(3,659)	3,822
Other non cash items		11,744	–
Working capital adjustments			
Inventories		(3,518)	17,909
Trade and other receivables		126,585	54,706
Trade and other payables		(104,070)	(4,808)
Income tax paid		(14,560)	(53,936)
Net cash flow from operating activities		**220,172**	**351,892**
Cash flow from investing activities			
Purchase of property, plant and equipment	13	(492,835)	(47,590)
Dividends from associated companies	10.2	18,143	60,740
Interest received		1,271	–
Acquisition of subsidiaries, net of cash acquired	9	50,372	–
Purchase of marketable securities	16.1	(29,015)	–
Change in restricted cash	20	(28,334)	–
Net cash flow from investing activities		**(480,398)**	**13,150**
Cash flow from financing activities			
Proceeds from borrowings	16.2	242,034	650,000
Loans from related party	16.2	107,000	(111,000)
Transaction costs on issuance of long-term loans	16.2	(344)	(16,273)
Repayment of other borrowings		(181,670)	(914,373)
Acquisition of non-controlling interests	10.1	(3,400)	–
Interest paid		(109,302)	(105,830)
Dividends paid		–	(400)
Capital increase		250,000	–
Net cash flow from financing activities		**304,318**	**(497,876)**
Net change in cash and cash equivalents		**44,092**	**(132,834)**
Cash and cash equivalents at beginning of the period	21	213,920	346,754
Cash and cash equivalents – end of year	21	258,012	213,920
Net change		**44,092**	**(132,834)**

NOTES TO THE CONSOLIDATED STATEMENTS

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NOTES TO THE CONSOLIDATED STATEMENTS

NOTE 1 CORPORATE INFORMATION

The consolidated financial statements of Consolidated Energy Limited ("the Company" or "Parent Company" or "CEL(CH)") and its subsidiaries (collectively "Group" or "CEL Group") for the twelve months ended December 31, 2016 were authorised for issue in accordance with the resolution of the board of directors on March 29, 2017 and are subject to approval by the Company's shareholders.

The Company acts as an investment holding company. At December 31, 2016 the Company held direct investments in several companies. Its principal office is located at Samstagernstrasse 41, 8832 Wollerau in Switzerland.

The principal activities of the CEL Group are production of methanol and urea ammonium nitrate (UAN).

CEL(CH) and its subsidiaries are a global group with its principal activities as producer of petrochemical products.

In the petrochemical sector with investments in Trinidad, Oman and the USA the Group is one of the world's largest producers of methanol. A further focus is the production of fertilizer such as ammonia and UAN. With upstream integration and the evaluation of new investment opportunities the worldwide presence of the Group in this sector is expanding.

The Group's principal subsidiaries at December 31, 2016 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

FULL CONSOLIDATION		**DECEMBER 31, 2016**	**DECEMBER 31, 2015**
		Ownership interests held by the Group	
Name of entity, country of incorporation		**%**	**%**
OPAG (Barbados) Ltd, Barbados	OPAG	100.0	*
Consolidated Energy Limited, Barbados	CEL BBS	100.0	75.0
Consolidated Energy Finance SA, Luxemburg	CEF	100.0	75.0
Methanol Holdings (Trinidad) Ltd, Trinidad and Tobago	MHTL	100.0	75.0
Methanol Holdings (Delaware) LLC, USA	MHDL	100.0	75.0
FS Petrochemicals (St. Kitts) Ltd, St. Kitts and Nevis	FSP	100.0	75.0
G2X Energy, Inc., USA	G2X	74.6	–
Big Lake Fuels Holdings LLC, USA	BLFH	74.6	–
Big Lake Fuels LLC, USA	BLF	74.6	–
G2X Resources LLC, USA	G2XR	74.6	–
TRDC LLC, USA	TRDC	74.6	–
Pampa Fuels LLC, USA	PF	74.6	–
G2X Energy Marketing LLC, USA	G2XM	74.6	–
G2X Energy Plant Services LLC, USA	G2XPS	74.6	–
G2X Energy GP LLC, USA	G2XGP	74.6	–
G2X Energy LP, USA	G2XLP	74.6	–
G2X Energy (Beaumont) LLC, USA	G2XB	74.6	–
Firewater LLC (Delaware), USA	FW	37.3	–
Natgasoline Land Holding LLC (Delaware), USA	NGL	37.3	–
Natgasoline LLC (Delaware), USA	NG	37.3	–

* *parent of the Group at December 31, 2015*

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not been disclosed in other notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Changes in accounting policies

Changes effective in 2016

In 2016 the Group has implemented various minor amendments to existing standards and interpretations, which have no material impact on the Group's overall results and financial position.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2016 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

In July 2014, the IASB issued IFRS 9, Financial Instruments. IFRS 9 introduces a single approach for the classification and measurement of financial assets according to their cash flow characteristics and the business model they are managed in, and provides a new impairment model based on expected credit losses. IFRS 9 also includes new regulations regarding the application of hedge accounting to better reflect an entity's risk management activities especially with regard to managing non-financial risks. The new standard is effective for annual reporting periods beginning on or after January 1, 2018, while early application is permitted. The Group is currently assessing the impacts of its adoption on the consolidated financial statements.

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. According to the new standard, revenue is recognised to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised when, or as, the customer obtains control of the goods or services. IFRS 15 also includes guidance on the presentation of contract balances, that is, assets and liabilities arising from contracts with customers, depending on the relationship between the entity's performance and the customer's payment. IFRS 15 supersedes IAS 11, Construction Contracts and IAS 18, Revenue as well as related interpretations. The standard is effective for annual periods beginning on or after January 1, 2018; early application is permitted. The Group is currently assessing the impact on its consolidated financial statements and expects increased disclosures.

In January 2016, the IASB issued IFRS 16, Leases. IFRS 16 eliminates the current classification model for lessee's lease contracts as either operating or finance leases and, instead, introduces a single lessee accounting model requiring lessees to recognise right-of-use assets and lease liabilities for leases with a term of more than twelve months. This brings the previous off-balance leases on the balance sheet in a manner largely comparable to current finance lease accounting. IFRS 16 is effective for annual periods beginning on or after January 1, 2019; earlier application is permitted if IFRS 15 is already applied. The Company is currently assessing the impact of adopting IFRS 16.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after January 1, 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

b) Associates and equity accounting

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

When the Group ceases to equity account for an investment because of a significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

c) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

c) *Income tax* (continued)

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

d) *Business combinations*

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

e) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

f) Financial assets

Classification

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised in profit or loss.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

f) *Financial assets* (continued)

Assets carried at amortised cost

For loans and receivables, 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Income recognition

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

g) *Trade receivables*

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

h) *Financial guarantee contracts*

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

h) Financial guarantee contracts (continued)

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

i) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Impairment of long-lived assets

The Group evaluates the oil and natural gas properties for impairment whenever events and circumstances indicate that a decline in the recoverability of the carrying value may have occurred. The Group estimates the expected undiscounted future cash flows of its oil and natural gas properties and compares such undiscounted future cash flows to the carrying value of the oil and natural gas properties to determine if the carrying amount is recoverable. If the carrying amount exceeds the estimated undiscounted future cash flows, the Group will adjust the carrying amount of the oil and natural gas properties to fair value. The factors used to determine fair value are subjected to management's judgment and expertise.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

● Plant & Buildings	25 – 50 years
● PP&E under Construction	N/A
● Office Furniture & Equipment	2 – 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Once financial close/notice to proceed is reasonable assured, the company starts capitalising the project costs.

j) Intangible assets

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

● Goodwill	–
● Patents and licences	indefinite
● Contract related intangible assets	contract term

Goodwill

Goodwill arising on the acquisition of subsidiaries is initially measured at the excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

j) *Intangible assets* (continued)

acquisition-date fair value of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired and liabilities assumed. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in profit or loss.

After initial recognition, goodwill acquired in a business combination is measured at the amount recognised at the acquisition date less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the date of acquisition is allocated to each of the Group's cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash generating unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

k) *Borrowings*

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

l) *Borrowing costs*

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

m) *Provisions*

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

m) Provisions (continued)

outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

n) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Post-employment obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans and post-employment medical plans.

Pension obligations

The liability or asset recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Summary of significant accounting policies (continued)

n) *Employee benefits* (continued)

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

Stock-based compensation expense is measured at the grant date based on the fair value of the equity award and is recognised as an expense, less expected forfeitures, over the requisite service period, which is generally the vesting period. The fair value of each equity award is estimated on the date of grant using the Black-Scholes option-pricing model. The Company recognised stock-based compensation expense on the graded-vesting method for its equity awards issued to the employees. Determining the fair value of stock-based awards at the grant date requires judgment, including estimating the expected volatility, expected term, risk-free interest rate and expected dividends.

o) *Contributed equity*

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p) *Rounding of amounts*

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand dollars unless otherwise stated.

NOTE 3 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

Incorporation of CEL(CH) and formation of the CEL Group

Consolidated Energy Limited (“the Company” or “Parent Company” or “CEL(CH)”) was established on April 6, 2016 in Switzerland.

CEL(CH)’s shareholders are Proman Holding AG (“PHAG”), a Swiss company, which owns 75% and MFH GesmbH, Austria (“MFH”), which owns 25%. MFH is owned 100% by Helm AG, Hamburg. Prior to the formation of CEL(CH) and the reorganisation of the shareholding in OPAG (described below), OPAG was the parent company and owned 100% of Consolidated Energy Limited, Barbados (“CEL BBS”). Figures presented in these consolidated financial statements for periods prior to the reorganisation date are those of OPAG and its subsidiaries and these financial statements represent a continuation of OPAG’s consolidated financial statements.

Reorganisation of the shareholding in OPAG

At December 31, 2015 the shareholders of OPAG’s subsidiary “CEL BBS” were the following:

- 75% were held by OPAG, which was fully owned by PHAG,
- 25% were held by MFH, which is fully owned by Helm AG, a company registered in Germany.

NOTE 3 SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD (continued)

Reorganisation of the shareholding in OPAG (continued)

On March 24, 2016, MFH made a contribution-in-kind of all their 25% CEL BBS shares into OPAG in exchange for 25% shares of OPAG. As a result, CEL BBS became a 100% subsidiary of OPAG and the shareholding in OPAG matched the former shareholding of CEL BBS (PHAG (75%) and MFH (25%)).

On April 6, 2016 CEL(CH) was formed through the contribution-in-kind of 100% of the shares of OPAG by the two shareholders PHAG and MFH. As a result, OPAG became a 100% subsidiary of CEL(CH) and the shareholding in CEL(CH) matched the former shareholding of OPAG (PHAG (75%) and MFH (25%)).

This reorganisation and share-for-share exchange has been reflected as a transaction between shareholders.

Acquisition of G2X in a common control transaction

On May 4, 2016 CEL(CH) subscribed to a capital increase in cash at G2X Energy, Inc., USA (“G2X”) and became the majority and controlling shareholder (holding initially 70.2%) of G2X.

G2X was consolidated from May 4, 2016 in these financial statements. G2X was controlled directly and indirectly both before and after the capital increase by PHAG (ultimate parent) and the transaction represents a common control transaction outside the scope of IFRS 3. CEL Group has elected to account for this transaction by incorporating the assets and liabilities of G2X at their IFRS carrying amounts (predecessor accounting) from the date of the combination with any resulting difference between the amount of the capital increase and the net assets acquired accounted for within parent equity and by not restating any periods prior to the combination.

On December 31, 2016 CEL(CH) held 74.6% in G2X.

NOTE 4 BASIS OF PREPARATION

The consolidated financial statements of Consolidated Energy Limited and its subsidiaries (“the Group”) have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets through profit and loss that have been measured at fair value. The consolidated financial statements are presented in USD and all values are rounded to the nearest thousand (USD’000).

NOTE 5 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of CEL(CH) and its subsidiaries as at December 31, 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

NOTE 5 BASIS OF CONSOLIDATION (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, as required, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

NOTE 6 CRITICAL ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

Estimates:

a) Decommissioning and dismantlement costs

The Group relied on the experience of a related party contractor in estimating decommissioning costs for its plants. The provision has been estimated using existing technology, at current prices, and using discount rates between 4.43% and 4.76% and inflation rate of 2%.

b) Income taxes

Estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTE 6 CRITICAL ESTIMATES AND JUDGEMENTS (continued)

Estimates (continued)**:**

b) Income taxes (continued)

A deferred tax asset is recognised for temporary differences that will result in deductible amounts in future years and for taxable loss carryforwards. As per end of December 2016, the Group has total deferred tax assets in the amount of $ 103 million (2015: $ 133 million). The recoverability of those assets depends on the future profitability of the Group.

c) Impairment of Non-financial assets

The carrying values of PP&E and of intangible assets are impacted by estimates and assumptions of the useful lives and residual values of the Group's petrochemical plants and the results of any impairment recognised. The above are affected by but not limited to the following factors: natural gas supply, inflation, estimates of future selling prices and discount rates, maintenance programmes and companies growth.

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next ten to twelve years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow (DCF) model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group.

d) Provision for inventory obsolescence of inventory spares

This provision is dependent on assumptions which include technical compatibility or usability, the frequency of movement and age.

Judgements:

a) Business combinations

Accounting for the contribution-in-kind of OPAG into CEL(CH) and preparation of these consolidated financial statements of CEL(CH) as the continuation of the consolidated financial statements of OPAG.

Accounting for the acquisition of G2X (common control transaction) from the date of the transaction and not restating financial information for periods prior to the date of the combination.

Treatment of the acquisition of the 50% interests in Firewater by G2X as a business combination rather than an asset acquisition. Management has determined that it controls the relevant activities of Firewater LLC. Based on shareholders agreement of April 15, 2016 the Chairman of the Board (with casting vote) is appointed by G2X Energy (Beaumont) LLC and thus CEL(CH) has control over Firewater.

NOTE 7 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest risk, credit risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

NOTE 7 FINANCIAL RISK MANAGEMENT (continued)

Market risk

a) *Currency risk*

Management considers that the Group is not exposed to significant foreign exchange risk arising from currency exposure primarily because all receipts by way of equity and all significant payments are denominated in United States dollars. Dividend income and major expenses are denominated in United States dollars. Transactions in other currencies are not significant.

b) *Interest rate risk*

The Group's interest rate risk arises from long-term loans from third parties. Notes and other long term loans issued at variable rates expose the Group to cash flow interest rate risk.

c) *Credit risk*

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only high profile institutions are utilised. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors.

Financial risk

a) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flow.

The table below shows the undiscounted financial liabilities (principal and interest payments) classed by maturity groupings from the statement of financial position date:

AT DECEMBER 31, 2016

	Note	Within 1 year USD'000	Between 1 and 2 years USD'000	Between 2 and 5 years USD'000	Over 5 years USD'000	Total USD'000
Trade and other payables (incl. accruals)	25	143,019	–	–	–	143,019
Borrowings (incl. interest)		164,093	122,183	2,276,341	627,486	3,190,103
Derivatives	16.3	–	(198)	2,445	–	2,247
Total		**307,112**	**121,985**	**2,278,786**	**627,486**	**3,335,369**

AT DECEMBER 31, 2015

	Note	Within 1 year USD'000	Between 1 and 2 years USD'000	Between 2 and 5 years USD'000	Over 5 years USD'000	Total USD'000
Trade and other payables (incl. accruals)	25	150,643	–	–	–	150,643
Borrowings (incl. interest)		155,853	95,649	1,457,499	294,267	2,003,268
Total		**306,496**	**95,649**	**1,457,499**	**294,267**	**2,153,911**

NOTE 7 FINANCIAL RISK MANAGEMENT (continued)

Financial risk (continued)

b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call borrowings. There have been no breaches of the financial covenants of any borrowings in the current period.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at December 31, 2016 and 2015 were as follows:

	Note	2016 USD'000	2015 USD'000
Total borrowings (incl. derivatives)	16.2, 16.3	2,303,332	1,536,682
Less: cash and cash equivalents	21	(258,012)	(213,920)
Less: restricted cash	20	(28,334)	–
Net debt		**2,016,986**	**1,322,762**
Total equity		2,173,578	1,463,845
Total net debt and equity		4,190,564	2,786,607
Gearing ratio		**52%**	**47%**

c) Derivatives

In 2016, G2X utilized two-way costless collar options to reduce the volatility of natural gas prices on a significant portion of its future expected natural gas purchases. A two-way collar is a combination of a call option and a put option. G2X has not designated any derivative instruments as hedges for accounting purposes and does not enter into such instruments for speculative trading purposes. As of December 31, 2016, the terms of such instruments are set forth in the table below:

Period covered	Hedged Volume	Weighted Average Floor Price	Weighted Average Ceiling Price
Collars – 2018	25,245,000	2.58	3.50
Collars – 2019	30,112,500	2.58	3.50
Collars – 2020	30,195,000	2.58	3.50
Collars – 2021	4,867,500	2.58	3.50

NOTE 7 FINANCIAL RISK MANAGEMENT (continued)

Financial risk (continued)

c) Derivatives (continued)

The following table sets forth the fair values and classification of the outstanding derivatives:

	Gross Amounts of Recognised Assets USD'000	Gross Amounts of Recognised Liabilities USD'000	Net Amounts Presented in the Consolidated Balance Sheets USD'000
Derivatives:			
As of December 31, 2016:			
Long term derivative assets	17,072	19,319	2,247
Total	**17,072**	**19,319**	**2,247**

NOTE 8 FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in United States Dollar ("USD", "$"), which is the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

NOTE 9 BUSINESS COMBINATIONS

Acquisition of G2X Energy Inc.

On May 4, 2016, CEL(CH) initially invested 70.2% of the issued capital of G2X, a group of companies specialised in converting abundant, low-cost natural gas resources into liquid fuels.

All of the combining entities were ultimately controlled by PHAG (ultimate parent) both before and after the business combination. As the combination was a transaction under common control, it is excluded from the requirements of IFRS 3 Business Combinations and management has elected to apply predecessor accounting. Consequently, the difference between the predecessor IFRS carrying amounts of the net assets acquired, the purchase consideration and the non-controlling interests recognised was recorded as a deduction to equity attributable to owners of the parent. The capital increase in G2X represents a non-cash transaction from a Group perspective. The total amount of net cash acquired is $ 3.0 million.

ACQUISITION OF SHARES IN G2X ENERGY INC.

	USD'000
Capital increase	474,000
Share of net assets acquired (70.2%)	(317,798)
Difference deducted from parent equity	**156,202**

NOTE 9 BUSINESS COMBINATIONS (continued)

Acquisition of G2X Energy Inc. (continued)

THE BOOK VALUE OF ASSETS AND LIABILITIES ACQUIRED ARE AS FOLLOWS:

	Before capital increase USD'000	**Capital increase USD'000**	**After capital increase USD'000**
Cash and cash equivalents	2,945	350,778	353,723
Trade receivables	420		420
Other receivables	3,260		3,260
Inventories	836		836
Property, plant and equipment	106,112		106,112
Financial assets	666		666
Intangible assets	5,009		5,009
Trade accounts payable	(1,125)		(1,125)
Other liabilities	(6,514)		(6,514)
Provisions	(4,874)		(4,874)
Financial liabilities	(127,838)	123,222	(4,616)
Net assets at acquisition date	**(21,103)**	**474,000**	**452,897**
Less non-controlling interest at acquisition date (29.8%)			(135,099)
Share of net assets acquired			**317,798**

The difference of $ 156.2 million, which was recorded as a deduction to equity attributable to the owners of the parent, arises from the capital increase which was based on the fair values of the assets and the share of net assets acquired which continue to be carried at book values.

CEL(CH) is committed to a further capital increase of $ 156 million when the cash is needed.

The non-controlling interests are based on the carrying amount of assets and liabilities before elimination/ settlement of intragroup balances.

From the date of acquisition to December 31, 2016, G2X contributed $ 22.3 million in revenues and a loss before tax of $ 22.4 million to the Group. If the acquisition had taken place at the beginning of the year, revenues would have been $ 28.0 million and the loss before tax for the period would have been $ 37.1 million.

Acquisition of Firewater LLC

On April 15, 2016, G2X Energy (Beaumont) LLC a subsidiary of G2X entered into a subscription agreement with OCI N.V. to purchase a 50% membership interest in Firewater LLC for $ 630 million, by way of a capital increase. The capital increase took place on May 4, 2016. Firewater has a methanol plant currently under construction and real estate property.

Management has determined that the acquired group of assets and liabilities represent a business and that the Group has control over Firewater LLC rather than joint control with OCI N.V. who holds the remaining 50% membership interests. This is due to the fact that the Chairman, which has the casting vote, is appointed by G2X Energy (Beaumont) LLC.

The transaction has been accounted for as a business combination under the acquisition method of accounting. Accordingly, the Group has recognised the identifiable assets acquired and liabilities assumed at their acquisition date fair values (provisional purchase price allocation). Transaction costs of $ 6.8 million associated with the acquisition were expensed within other operating expenses as incurred.

NOTE 9 BUSINESS COMBINATIONS (continued)

Acquisition of Firewater LLC (continued)

The recognised provisional fair values of the identifiable assets and liabilities assumed in connection with this acquisition are as follows:

ACQUISITION OF FIREWATER LLC AT G2X

	USD'000
Cash and cash equivalents	245,729
Restricted cash	151,701
Trade and other receivables	283,650
Property, plant and equipment including land	1,198,928
Investment property	46,393
Trade and other payables	(113,919)
Other current financial liabilities	(3,864)
Borrowings and loans	(548,618)
Total net assets acquired	**1,260,000**
Fair value of non-controlling interest at G2X	(630,000)
Purchase consideration	**630,000**
thereof:	
- Cash paid	350,000
- Payable	280,000
Cash consideration paid	**350,000**
Cash and cash equivalents acquired (incl. restricted cash)	397,430
Net cash acquired (Cash Flow)	**47,430**

Of the $ 630 million capital increase agreed, $ 350 million was initially paid in cash by G2X to Firewater LLC and $ 280 million was accounted for as a payable and will be paid when the respective cash is needed. The consideration paid by way of a capital increase in Firewater represents a non-cash transaction from a Group perspective and is therefore not reflected in the consolidated statement of cash flow.

The non-controlling interest has been measured at fair value.

From the date of acquisition until December 31, 2016, Firewater LLC contributed $ 0 million revenue and loss before tax of $ 5.7 million to the Group ($ 2.8 million of the $ 5.7 million are attributable to non-controlling interests). If the acquisition had taken place at the beginning of the year, loss before tax would have been $ 8.5 million ($ 4.2 million of the $ 8.5 million are attributable to non-controlling interests).

NOTE 10 INTERESTS IN OTHER ENTITIES

10.1 Subsidiaries with significant non-controlling interests

a) Material subsidiaries

The Group's principal subsidiaries at December 31, 2016 are set out in note 1. The reorganisation of the Group affecting the non-controlling interests as at December 31, 2015 is described in note 3.

b) Non-controlling interest

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

SUMMARISED STATEMENT OF FINANCIAL POSITION

	G2X 31.12.2016 USD'000	**CEL BBS 31.12.2015 USD'000**
Current assets	77,913	798,384
Non-current assets	1,658,926	3,274,333
Total assets	**1,736,839**	**4,072,717**
Current liabilities	(48,166)	221,445
Non-current liabilities	(520,001)	2,308,223
Equity / Net assets	**1,168,672**	**1,543,049**
Accumulated NCI	**764,892**	**385,762**

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

	G2X 2016 USD'000	**CEL BBS 2015 USD'000**
Revenue	22,311	1,294,202
Profit for the period	**(22,356)**	**26,145**
Profit (loss) allocated to NCI	(7,818)	(6,536)
Group's share of result	**(14,538)**	**19,609**

NOTE 10 INTERESTS IN OTHER ENTITIES (continued)

10.1 Subsidiaries with significant non-controlling interests (continued)

b) *Non-controlling interest* (continued)

SUMMARISED CASH FLOWS

	G2X 2016 USD'000	CEL BBS 2015 USD'000
Cash flows from operating activities	(57,089)	352,073
Cash flows from investing activities	(336,847)	97,850
Cash flows from financing activities	47,280	386,476
Net increase/(decrease) in cash and cash equivalents	**(346,656)**	**213,916**

At December 31, 2016 $ 627 million (at G2X level) from total NCI of $ 765 million relate to Firewater LLC.

c) *Transactions with non-controlling interests*

During 2016 the Group acquired 1,133,334 of the issued shares of G2X Energy, Inc. at a price of $ 3.4 million, from a non-controlling shareholder.

10.2 Investment in associated companies

Set out below are the associates of the Group as at December 31, 2016 and 2015 which are material to the Group. MHIL is an investment holding company. CNC and N2K are the owners of two ammonia manufacturing plants in Trinidad.The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

NATURE OF INVESTMENTS OF THE GROUP FOR 2016 AND 2015:

Name of entity	Place of business / country of incorporation	ownership interest 31.12.2016 %	ownership interest 31.12.2015 %	Share equity 31.12.2016 USD'000	Share equity 31.12.2015 USD'000	Share result 31.12.2016 USD'000	Share result 31.12.2015 USD'000
Methanol Holdings (International) Limited* (MHIL)	St. Kitts and Nevis	43.47	43.47	253,272	249,421	961	16,786
Caribbean Nitrogen Company Ltd (CNC)	Trinidad and Tobago	30.00	30.00	142,303	145,704	6,592	10,225
Nitrogen (2000) Unlimited (N2K)	Trinidad and Tobago	30.00	30.00	92,204	117,423	2,964	12,810
Total				**487,779**	**512,548**	**10,517**	**39,821**

* *Methanol Holdings (International) Limited is an investment holding company with a 60% interest in Oman Methanol Company LLC. CEL(CH) holds a 43.47% interest in Methanol Holdings (International) Limited. As a result of this ownership structure, CEL(CH) holds a 26.08% effective interest in Oman Methanol Company LLC.*

NOTE 10 INTERESTS IN OTHER ENTITIES (continued)

10.2 Investment in associated companies (continued)

RECONCILIATION OF CARRYING AMOUNT OF INVESTMENTS IN ASSOCIATES

Name of entity	MHIL 31.12.2016 USD'000	MHIL 31.12.2015 USD'000	CNC 31.12.2016 USD'000	CNC 31.12.2015 USD'000	N2K 31.12.2016 USD'000	N2K 31.12.2015 USD'000
Opening net assets**	713,057	748,508	(324,056)	341,597	330,327	351,528
Profit after taxation	3,851	64,549	21,974	34,084	9,881	42,699
Less: dividends	–	(100,000)	(25,375)	(51,625)	35,100	(63,900)
Net assets	**716,908**	**713,057**	**320,655**	**324,056**	**305,108**	**330,327**
Less: non-controlling interests	(97,672)	(96,032)	–	–	–	–
Other differences	351	351	531	531	–	–
	619,587	**617,376**	**321,186**	**324,587**	**305,108**	**330,327**
Group's carrying amount of investment	**269,334**	**268,373**	**96,356**	**97,376**	**91,532**	**99,098**

** *Figures include fair value adjustments made at the relevant times of acquisition.*

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

Name of entity	MHIL 31.12.2016 USD'000	MHIL 31.12.2015 USD'000	CNC 31.12.2016 USD'000	CNC 31.12.2015 USD'000	N2K 31.12.2016 USD'000	N2K 31.12.2015 USD'000
Revenue	253,308	299,831	127,153	197,988	141,288	237,697
Profit before taxation	5,178	74,372	37,934	53,653	18,369	66,942
Profit after taxation / Total comprehensive income	3,851	64,549	21,974	34,084	9,881	42,699
Group's share of result	**961**	**16,786**	**6,592**	**10,225**	**2,964**	**12,810**

NOTE 11 MATERIAL PROFIT AND LOSS ITEMS / OTHER INCOME AND EXPENSE ITEMS

11.1 Net Sales

Revenue comprises the fair value of the consideration received or receivable for the sale of product in the ordinary course of the Group's activities.

Revenue from Methanol, Ammonia, UAN and Melamine sales is recognised when the title to the product passes to the purchaser, in accordance with contractual arrangements, normally at the time of loading onto delivery vessels. In respect of certain related party sales, final prices are only determined upon sale of the product to third party customers. In respect of other sales, final prices are agreed upon receipt of the product by the customer.

Sales invoice pricing is laid out in the individual sales contracts and is determined on the following bases, less taxes on revenue, and value added tax:

- Methanol – Prices are derived from published market prices less distribution costs which include marketing fees, customer discounts, storage and handling costs and other transshipment costs.

NOTE 11 MATERIAL PROFIT AND LOSS ITEMS / OTHER INCOME AND EXPENSE ITEMS (continued)

11.1 Net Sales (continued)

- UAN – Prices are derived from published market prices less distribution costs which include marketing fees, water dilution costs, storage and surveyor costs, financing fees and custom duties.
- Melamine – Prices are derived from negotiated prices between the Group's customer and the final customer on a quarterly basis. The final sales price is determined after deducting distribution costs and marketing fees.
- Ammonia – Prices are derived from published market prices less market discounts.

	2016 USD'000	2015 USD'000
Gross revenue	830,469	1,294,202
Sales deduction	(118,877)	(105,323)
Total net sales	**711,592**	**1,188,879**

The revenue decrease is a result of raw material supply limitations, as well as a drop in market prices during the year 2016.

11.2 Other operating income

	2016 USD'000	2015 USD'000
Freight & Shipping income	12,688	10,800
Insurance claim refund	10,609	2,057
Other	686	2,048
Total other income	**23,983**	**14,905**

MHTL operates a fleet of vessels to transport finished products to customers. Customers are invoiced for the shipping costs.

11.3 Financial Income

	2016 USD'000	2015 USD'000
Interest income	1,727	1,763
Income on marketable securities	291	–
Other financial income	352	–
Total financial income	**2,370**	**1,763**

11.4 Purchase of materials, goods and services

Purchase of materials, goods and services decrease as a result of raw material supply limitations during the year 2016 and lower material costs.

NOTE 11 MATERIAL PROFIT AND LOSS ITEMS / OTHER INCOME AND EXPENSE ITEMS (continued)

11.5 Employee benefits

	2016 USD'000	2015 USD'000
Wages and salaries	6,985	2,225
Pension expense	432	–
Insurance related expenses	732	–
Share-based compensation	383	–
Severance payments	325	–
Other personnel expenses	21	–
Total personnel expenses	**8,878**	**2,225**

The Group has approximately 140 employees, mainly in operation and management of production (prior year: approx. 25 employees). Production staff at MHTL are sub-contracted from a related party and are not included in the number of employees.

Share-based payments

The G2X's 2012 Stock Option Plan (the "2012 Plan") provides for the issuance of restricted stock and stock options for up to $ 9.7 million shares of common stock to qualified personnel.

Options are generally granted with exercise prices equal to the fair value of the common stock on the grant date. The options expire no more than 10 years after the date of grant or earlier if employment or relationship as an employee or an executive is terminated.

Since its acquisition by the Group G2X recognised approx. $ 383 thousand of share-based compensation in 2016.

11.6 Other operating expenses

	2016 USD'000	2015 USD'000
Consulting, legal and audit fees	9,022	4,335
Repair and maintenance	3,855	312
Travel expenses	1,613	45
Rental and other operating leasing	103,953	89,095
Insurance	427	–
Administration	3,105	3,978
Loss on sale of PPE	16,763	–
Non-income taxes	1,569	–
Miscellaneous other expenses	1,643	–
Total other operating expenses	**141,950**	**97,765**

The Group uses consultants and legal services mainly in developing new projects.

Due to the nature and structure of the Group, a wide spread of activities are being covered, from up-stream gas exploration, over the construction, engineering and procurement of petrochemical plants, as well as production, transport and marketing. Consequently, other expenses are similarly wide spread by nature and use.

NOTE 11 MATERIAL PROFIT AND LOSS ITEMS / OTHER INCOME AND EXPENSE ITEMS (continued)

11.6 Other operating expenses (continued)

The main reason for the increase of the costs is the acquisition of G2X and Firewater LLC in the business year 2016 and subsequent consolidation of these companies.

11.7 Financial expenses

	2016 USD'000	2015 USD'000
Interest expenses	116,911	114,400
Foreign exchange losses	2,222	3,739
Unrealised loss on derivative instruments	2,247	–
Unwinding of discount	9,565	4,348
Other financial expenses	3,185	694
Total financial expenses	**134,130**	**123,181**
Amortisation of fair value adjustment on acquisition	–	22,220
Total finance cost	**134,130**	**145,401**

Interest expenses are predominately due to the $ 1.2 billion Bond issuance in October 2014.

NOTE 12 INCOME TAX

This note provides an analysis of the Group's income tax expense, shows what amounts are recognised directly in other comprehensive income (OCI) and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

The tax base of MHTL's property, plant & equipment is maintained in Trinidad & Tobago dollars (TTD), which eroded against the USD and resulted in an increase in deferred tax expense.

The major components of income tax expenses for the years ended December, 31, 2016 and 2015 are:

Consolidated statement of profit or loss:

	2016 USD'000	2015 USD'000
Current income tax:		
Current income tax charge	5,344	60,162
Deferred tax:		
Relating to origination and reversal of temporary differences	(7,121)	(5,946)
Relating to loss carry forward	26,043	(11,091)
Income tax expense reported in the statement of profit or loss	**24,266**	**43,125**

NOTE 12 INCOME TAX (continued)

Consolidated statement of OCI:

	2016 USD'000	2015 USD'000
Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on actuarial gains and losses	146	365
Deferred tax charged to OCI	**146**	**365**

Reconciliation of tax expense and the accounting profit multiplied by the parent's domestic tax rate for 2015 and 2016:

INCOME TAX

	2016 Total USD'000	2015 Total USD'000
Profit/(loss) before tax (EBT)	**(119,457)**	**69,083**
Parent tax rate	7.8%	2.5%
Theoretical taxation expense at applicable domestic tax rate of parent (before adjustments)	(9,318)	1,727
Reconciling items:		
items taxed at rates other than the applicable tax rate	5,175	51,786
forex impact on PP&E at TTD tax base	17,244	–
unrecognised taxable losses	9,060	–
non-deductible expenses and other permanent differences	7,102	(20,904)
income not subjected to tax	(263)	5,728
adjustment in respect of prior years	2,006	–
other differences	(6,740)	4,788
Income tax expense as per statement of profit and loss	**24,266**	**43,125**

Deferred tax relates to the following:

DEFERRED TAX ASSETS

	2016 USD'000	2015 USD'000
The balance comprises temporary differences attributable to:		
Tax losses	18,098	40,313
Non-current provisions	36,035	35,332
Non-current financial liabilities	427	–
Fair value adjustments	52,948	57,629
Total deferred tax assets (gross)	**107,508**	**133,274**
Netting adjustments	(4,958)	–
Total deferred tax assets (net)	**102,550**	**133,274**

NOTE 12 INCOME TAX (continued)

DEFERRED TAX LIABILITIES

	2016 USD'000	2015 USD'000
The balance comprises temporary differences attributable to:		
Fair value adjustments	17,303	21,918
Accelerated depreciation	404,534	407,449
Pension	3,989	4,148
Other	1,306	607
Total deferred tax liabilities (gross)	**427,132**	**434,122**
Netting adjustments	(4,958)	–
Deferred tax assets	102,550	133,274
Deferred tax liabilities	422,174	434,122
Deferred tax liabilities (net)	**319,624**	**300,848**

TAX LOSS CARRY FORWARDS

Tax losses for which no deferred tax asset has been recognised:

	2016			2015		
Period	**Total Loss carried forward USD'000**	**Thereof recognised for deferred tax assets Amount c/fwd USD'000**	**Thereof not recognised USD'000**	**Total Loss carried forward USD'000**	**Thereof recognised for deferred tax assets Amount c/fwd USD'000**	**Thereof not recognised USD'000**
1 year	–	–	–	–	–	–
2 years	–	–	–	–	–	–
3 years	–	–	–	–	–	–
4-7 years	220,435	–	220,435	7,538	–	7,538
>8 years	148,453	12,635	135,818	116,634	3,648	112,986
unlimited	39,153	39,153	–	90,860	90,860	–
Total	**408,041**	**51,788**	**356,253**	**215,032**	**94,508**	**120,524**
Potential tax calculated	**142,814**	**18,098**	**124,716**	**82,496**	**40,313**	**42,183**

The increase of the tax losses not recognized is mainly driven by the initial consolidation of the G2X group.

NOTE 13 PROPERTY, PLANT AND EQUIPMENT

a) *Movement tables*

2015

	Plant & Buildings (incl. Land) USD'000	PP&E under Construction USD'000	Office Furniture & Equipment USD'000	Total USD'000
Opening balance net	2,138,304	–	3,619	2,141,923
Additions	46,831	–	759	47,590
Disposals	(1,343)	–	–	(1,343)
Depreciation	(179,336)	–	(866)	(180,202)
Closing balance net	**2,004,456**	**–**	**3,512**	**2,007,968**

2016

	Plant & Buildings (incl. Land) USD'000	PP&E under Construction USD'000	Office Furniture & Equipment USD'000	Total USD'000
Opening balance net	2,004,456	–	3,512	2,007,968
Additions	182,397	300,555	849	483,801
Acquisition G2X (transaction under common control)	98,764	7,133	215	106,112
Acquisition Firewater (business combination)	19,146	1,179,782	–	1,198,928
Disposals	(16,771)	–	–	(16,771)
Revaluation of assets	(10,582)	–	–	(10,582)
Depreciation	(202,236)	–	(813)	(203,049)
Closing balance net	**2,075,174**	**1,487,470**	**3,763**	**3,566,407**

During 2016, $ 1,180 million were added as PP&E under construction at time of Firewater acquisition. During the remainder of the year, additional $ 301 million were invested in the construction of plant of Firewater. Additionally, the Group invested $ 182 million in it's plants at MHTL.

There were no impairment charges recorded in 2016 and 2015.

Revaluation of assets refers to adjustments in connection with changes in decommissioning Liabilities.

NOTE 14 INVESTMENT PROPERTIES

	2016 USD'000	2015 USD'000
Opening balance net	–	–
Acquisitions	46,348	–
Closing balance net	**46,348**	**–**

Amount reported relates to an investment property adjacent to the acquired Natgasoline plant.

NOTE 14 INVESTMENT PROPERTIES (continued)

a) Amounts recognised in profit or loss for investment properties

During 2016 no amounts are recognised in profit or loss for investment properties, due to the fact that the mentioned property was not leased to third parties in 2016.

NOTE 15 INTANGIBLE ASSETS

2015

	Goodwill USD'000	Patents and licenses USD'000	Contract related intangible assets USD'000	Total USD'000
Opening balance net	578,003	–	75,805	653,808
Amortisation	–	–	(13,183)	(13,183)
Impairment	(63,431)	–	–	(63,431)
Closing balance net	**514,572**	**–**	**62,622**	**577,194**

2016

	Goodwill USD'000	Patents and licenses USD'000	Contract related intangible assets USD'000	Total USD'000
Opening balance net	514,572	–	62,622	577,194
Acquisition G2X (transaction under common control)	–	5,009	–	5,009
Amortisation	–	–	(13,184)	(13,184)
Closing balance net	**514,572**	**5,009**	**49,438**	**569,019**

Patents and Licenses

Methanol to Gasoline Process License and Engineering Agreement

The Group's subsidiary G2X entered into a Methanol to Gasoline Process License and Engineering Agreement (the "Agreement") with ExxonMobil for the rights to use its methanol-to-gasoline ("MTG") technology. The useful life of this agreement is indefinite.

Methanol to Gasoline License Option Agreement

The Group's subsidiary G2X entered into a Methanol to Gasoline ("MTG") License Option Agreement (the "License Agreement") with ExxonMobil, which allows the Group to obtain nine additional licenses to use the MTG technology. The useful life of this agreement is indefinite.

Contract related intangible assets

The contract related intangible asset relates to favourable terms of one of the raw material supply contracts of the subsidiary, MHTL, relative to market conditions at the acquisition date. This intangible asset is being amortised over the remaining period of the contract, which is six years.

The amount amortised for the year ended December 31, 2016 of $ 13.18 million (2015: $ 13.18 million) is included in depreciation and amortisation.

NOTE 15 INTANGIBLE ASSETS (continued)

Impairment testing

Goodwill

Goodwill is monitored by management at the level of each cash generating unit.

2016

	Methanol Division USD'000	AUM Division USD'000	Total USD'000
MHTL	401,682	112,890	514,572
	401,682	**112,890**	**514,572**

2015

	Methanol Division USD'000	AUM Division USD'000	Total USD'000
MHTL	401,682	112,890	514,572
	401,682	**112,890**	**514,572**

The Group performed its annual impairment test in December 2016 and December 2015 and considers several factors when reviewing for indicators of impairment. In 2016, these factors included the temporary decline in prices in the petro-chemical industry coupled with natural gas curtailments in Trinidad where the CGUs are located. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

Methanol Division

The recoverable amount of the Methanol CGU was $ 2.2 billion as at December 31, 2016 (2015: $ 3.1 billion) and has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a ten-year period. This period is used in line with management's annual, 10 year forecasting timeline. Gas contracts for the methanol plants are set on a plant level. The pre-tax discount rate applied to cash flow projections is 16.11% and cash flows beyond the 10-year period are extrapolated using a 2.5% growth rate which is within the range of the long term forecasts for the industry in which the CGU operates. It was concluded that the fair value less costs of disposal did not exceed the value-in-use. As a result of the analysis, management did not identify an impairment for this CGU.

AUM Division

The recoverable amount of the AUM CGU was $ 1.4 billion as at December 31, 2016 (2015: $ 1.3 billion) and has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a 12 year forecast timeline. The pre-tax discount rate applied to cash flow projections is 11.46 % and cash flows beyond the 12-year period are extrapolated using a 2.5% growth rate which is within the range of the long-term forecasts for the industry in which the CGU operates. As a result of this analysis, management did not identify an impairment for this CGU (PY: $ 63.4 million).

NOTE 15 INTANGIBLE ASSETS (continued)

Impairment testing (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for both Methanol and AUM units is most sensitive to the following assumptions:

- Sales volume
- Production volume
- Sales price
- Discount rates
- Raw materials cost
- Capital expenditure
- Growth rates used to extrapolate cash flows beyond the forecast period.

Sales volume

Sale volume is equal to the forecasted production volume for each unit, given that the off takers are contracted to take the full production volume of the plants.

Production volume

Production volume is based on the plant maintaining a production rate consistent with past experience taking into consideration downtime for turnaround activities and normal day to day maintenance.

Sales prices

Sales prices for methanol, melamine, UAN and ammonia are determined based on external sources of information, adjusted where required, based on management's experience in the business and published prices.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating divisions and is derived from its weighted average cost of capital (WACC). The WACC takes into account both cost of debt and cost of equity. Specific industry risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A fall in the pre-tax discount rate to 12.74% in the AUM unit would result in no impairment. A rise in the pre-tax discount rate to
22.97% in the Methanol unit would result in impairment.

Raw materials

The major component of raw material is natural gas. The natural gas pricing is based on a formula included in the subsidiary's long term contract with its supplier. It has been assumed that gas supplies will continue into the long term given the current reserves coupled with the Group and government current endeavours to sustain the gas supplies.

Capital expenditure

These costs are forecasted by the plants' operators, who based on past experience and continual monitoring of the facilities are able to determine the future capital needs of each unit.

NOTE 15 INTANGIBLE ASSETS (continued)

Growth rate

Rate is based on industry research. This rate is used to extrapolate cash flows beyond the forecast period. A decrease to 0.08% in the long-term growth rate in the AUM unit would result in no impairment. For the Methanol unit, a 0% long-term growth rate would not result in an impairment.

NOTE 16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial instruments by category

	DECEMBER 31, 2016		DECEMBER 31, 2015	
	Loans and receivables USD'000	At fair value through profit and loss USD'000	Loans and receivables USD'000	At fair value through profit and loss USD'000
Assets as per balance sheet:				
Trade and other receivables excluding prepaid expense	205,166	–	423,915	–
Marketable securities	–	29,015	–	–
Restricted cash	28,334	–	–	–
Cash and cash equivalents	258,012	–	213,920	–
Total	**491,512**	**29,015**	**637,835**	**–**

	DECEMBER 31, 2016		DECEMBER 31, 2015	
	Liabilities at amortised cost USD'000	At fair value through profit and loss USD'000	Liabilities at amortised cost USD'000	At fair value through profit and loss USD'000
Liabilities as per balance sheet:				
Borrowings and loans	2,301,085	–	1,536,682	–
Derivative financial instruments	–	2,247	–	–
Trade and other payables excluding non-financial liabilities	143,019	–	150,643	–
Total	**2,444,104**	**2,247**	**1,687,925**	**–**

16.1 Financial assets at fair value through profit and loss

	Total USD'000	Quoted prices in active markets (Level 1) USD'000	Significant observable inputs (Level 2) USD'000	Significant unobservable inputs (Level 3) USD'000
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Quoted debt securities: US treasury security	29,015	29,015	–	–

Financial assets at fair value through profit or loss are presented within operating activities' as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in financial income/expenses in the income statement.

NOTE 16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

16.1 Financial assets at fair value through profit and loss (continued)

The fair value of all debt securities is based on their current bid prices in an active market.

16.2 Financial liabilities

	DECEMBER 31, 2016		DECEMBER 31, 2015	
	Carrying amount USD'000	Fair value USD'000	Carrying amount USD'000	Fair value USD'000
Financial liabilities at amortised cost:				
Notes in issue				
Senior fixed rate notes (1) (net)	1,020,233	1,055,250	1,008,910	1,026,000
Senior floating rate notes (1) (net)	194,330	193,290	194,330	194,000
Total notes in issue	**1,214,563**		**1,203,240**	
Other borrowings				
Revolving credit facility (2)	300,000	300,000	60,000	60,000
7 year secured term loan (2) (net)	272,585	300,101	273,442	289,375
Mortgage payable*	793	793	–	–
Pass-through revenue bonds (3)*	281,125	282,012	–	–
Senior lien revenue bonds, series 2016A (4)*	45,424	51,688	–	–
Senior lien revenue bonds, series 2016B (4)*	182,405	209,732	–	–
Reserve-based credit facility (5)*	3,133	3,133	–	–
Other notes payable*, **	1,057	–	–	–
Total other borrowings	**1,086,522**		**333,442**	
Borrowings and loans	**2,301,085**		**1,536,682**	
Less: borrowings and loans (current)	(1,849)		(60,857)	
Non current borrowings and loans	**2,299,236**		**1,475,825**	
Trade and other payables**	143,019		150,643	
Total trade and other payables	**143,019**		**150,643**	

* *Acquired debt through G2X/Firewater acquisition.*

** *The carrying amount is a reasonable approximation of fair value.*

d) Fair value estimation

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

NOTE 16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

16.2 Financial liabilities (continued)

d) Fair value estimation (continued)

- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group does not have recognised recurring fair value measurements. There are recognised non-recurring fair value measurements, which relate to assets and liabilities acquired through business combination.

FAIR VALUE MEASUREMENT HIERARCHY FOR LIABILITIES

Fair value measurement hierarchy for liabilities as at December 31, 2016:

	Total USD'000	**Quoted prices in active markets (Level 1) USD'000**	**Significant observable inputs (Level 2) USD'000**	**Significant unobservable inputs (Level 3) USD'000**
Liabilities for which fair values are disclosed Interest-bearing loans and borrowings:				
Senior fixed rate notes	1,055,250	1,055,250	–	–
Senior floating rate notes	193,290	–	193,290	–
Revolving credit facility	300,000	–	300,000	–
7 years secured term loan	300,101	–	300,101	–
Reserve-based credit facility	3,133	–	3,133	–
Other notes payable	1,057	–	1,057	–
Mortgage	793	–	793	–
Pass-through revenue bonds	282,012	282,012	–	–
Senior lien revenue bonds, series 2016(A)	51,688	51,688	–	–
Senior lien revenue bonds, series 2016(B)	209,732	209,732	–	–
Commodity option securities	2,247	–	2,247	–
Total	**2,399,303**	**1,598,682**	**800,621**	**–**

Fair value measurement hierarchy for liabilities as at December 31, 2015:

	Total USD'000	**Quoted prices in active markets (Level 1) USD'000**	**Significant observable inputs (Level 2) USD'000**	**Significant unobservable inputs (Level 3) USD'000**
Liabilities for which fair values are disclosed Interest-bearing loans and borrowings:				
Senior fixed rate notes	1,026,000	1,026,000	–	–
Senior floating rate notes	194,000	194,000	–	–
Revolving credit facility	60,000	–	60,000	–
7 years secured term loan	289,375	–	289,375	–
Total	**1,569,375**	**1,220,000**	**349,375**	**–**

NOTE 16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

16.2 Financial liabilities (continued)

Notes in issue

In order to finance the acquisition of the remaining 56.53% of the shares of MHTL by CEL, the Group's subsidiary, Consolidated Energy Finance S.A.,(CEF), issued senior unsecured notes. The notes issued by the subsidiary on October 7, 2014 are in the form of general unsecured bonds.

The notes have a maturity period of 5 years until October 15, 2019 and have been issued in two tranches:

Senior fixed/floating rate notes (1)

Fixed rate notes

A fixed yield tranche of $ 1,050 million carrying an interest rate of 6.75% per annum. Interest will accrue from the Issue date and will be payable semi-annually in arrears on each April 15 and October 15, commencing April 15, 2015.

Floating rate notes

A variable yield tranche of $ 200 million carrying a floating rate of interest equal to three month LIBOR plus 3.5% per annum. Interest will accrue from the issue date and will be payable quarterly in arrears on each January 15, April 15, July 15 and October 15, commencing on January 15, 2015.

Guarantees

The notes are fully and unconditionally guaranteed on a senior unsecured basis by the parent guarantor, and the parent guarantor's subsidiaries.

Due to the reorganisation of the Group, the parent guarantor of the notes changed from Consolidated Energy Limited (Barbados) to Consolidated Energy Limited (Switzerland). No other changes occurred during the fiscal year 2016.

The payment of the principal of premium, if any, and interest on the notes and the obligations of the guarantors under the guarantees will:

- be effectively subordinated in right of payment to any existing and future secured indebtedness of the CEF and the guarantors, including the MHTL's loans, to the extent of the value of the assets securing such indebtedness;
- be pari passu in right of payment with all existing and future indebtedness of CEF and the guarantors that is not subordinated in right of payment to the notes and the guarantees;
- rank senior in right of payment to all existing and future indebtedness of CEF and the guarantors that is subordinated in right of payment to the notes and the guarantees; and
- be structurally subordinated to all indebtedness, claims of holders of preferred stock and other liabilities of the parent guarantor's future subsidiaries that are not guarantors

Revolving credit facility and 7-year Secured term loan (2)

An Initial term loan in the aggregate principal amount of $ 290 million for a period of seven years, payable in quarterly installments equal to 0.25% commencing on September 30, 2015, with a final payment at maturity equal to the outstanding principal amount at that date.

NOTE 16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

16.2 Financial liabilities (continued)

Revolving credit facility and 7-year Secured term loan (2) (continued)

Interest is charged at a eurocurrency rate plus a margin in the case of any eurocurrency rate loan denominated in dollars or a base rate plus a margin for base rate loans. The eurocurrency rate is determined to be the rate per annum equal to LIBOR for deposits in dollars.

The applicable rate of interest in relation to the term loan as at December 31, 2016 is 4.25% (December 31, 2015: 4.25%.)

A revolving credit facility in the aggregate principal amount of $ 300 million for an initial term of 5 years.

On October 30, 2015, the Group drew down $ 60 million under the revolving credit facility. Subsequently on April 8, 2016, the group drew down the remaining $ 240 million. This facility has been classified as non current on the basis that the Group expects and has the discretion to roll over the obligation for at least 12 months.

The applicable rate of interest in relation to the revolving credit facility as at December 31, 2016 is: (i) Drawdown $ 240 million – 3.44% (December 31, 2015: Nil), (ii) Drawdown $60 million – 3.52% (December 31, 2015:
2.99%).

The 7-year term loan and revolving facility are secured by a first priority mortgage and charge for the benefit of JPMorgan Chase Bank over the Group's fixed and floating assets.

Pass-through revenue bonds (3):

Upon acquiring Firewater LLC, the Group acquired a note between Natgasoline LLC and OCI N.V ("OCI") for $ 321.2 million. The loan accrues interest on the unpaid principal amount at a rate equal to 10% per annum. Interest shall accrue on the loan and will be added to the principal balance every six months. All principal and interest will be due and payable on June 30, 2021. Subsequent to the acquisition, $ 50.0 million of the principal was paid on the note. On July 22, 2016 the note was amended and restated in an aggregate principal amount of $ 279.2 million. On August 30, 2016 the Group entered into a financing agreement with the Public Finance Authority ("PFA Issuer"). The PFA Issuer issued $ 279.2 million of bonds with terms consistent with the amended and restated note. The Group amended and restated the note in favor of the PFA Issuer. The Group must prepay the bonds (i) on and after commercial operations from any available cash and (ii) from the net proceeds of any additional debt raised.

Senior lien revenue bonds (4):

The Group is party to the Bond Financing Agreement (the "2016 Financing Agreement"), dated May 1, 2016, between the Mission Economic Development Corporation (the "Issuer") and Natgasoline LLC ("Natgasoline"). On May 4, 2016, the Issuer issued $ 50.0 million aggregate principal amount 5.75% bonds, Series 2016A due October 1, 2031 (the "Series A Bonds") and $ 202.9 million aggregate principal amount 5.75% bonds, Series 2016B due October 1, 2031 (the "Series B Bonds")(collectively Series A and Series B, the "Series 2016 Bonds").

The Issuer loaned the proceeds from the issuance of the Series 2016 bonds to Natgasoline. Natgasoline issued a promissory note to the Issuer in the principal amount of $ 252.9 million to evidence its obligations to the Issuer. Natgasoline has the option to prepay the promissory note. Natgasoline's obligations are secured by a collateral assignment of and the grant of a lien on and security interest in

NOTE 16 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

16.2 Financial liabilities (continued)

Senior lien revenue bonds (4): (continued)

(i) all of the personal property of Natgasoline, (ii) the membership interests in Natgasoline, and (iii) by a mortgage on, and security interest in real property and improvements, fixtures and equipment thereon.

The 2016 Financing Agreement also contains various covenants that restrict Natgasoline from, among other things, creating any non-permitted liens or incurring additional debt. The Series 2016 Bonds have mandatory redemption features. Principal payments are due April 1 and October 1 each year beginning with October 1, 2028.

Reserve-based credit facility (5):

On August 26, 2014, one of the Group's wholly-owned subsidiaries entered into the Senior First Lien Secured Credit Agreement with a credit facility commitment of $ 100.0 million that expires in August 2019. Borrowings under the facility are secured by a first priority lien on substantially all of its oil and natural gas properties. The facility is guaranteed by the Group. The Group may use the borrowings under the facility for acquiring and developing oil and natural gas properties, for working capital purposes and for general and administrative purposes.

As of December 31, 2016 and 2015, the borrowing base under the facility was $ 7.0 million and $ 10.0 million, respectively. The facility does not require any repayments of amounts outstanding until it expires in August 2019. As of December 31, 2016, the Group was in compliance with these financial covenants. The Group had $ 3.1 million and $ 8.1 million outstanding, net of debt issuance costs of $ 23 and $ 44, as of December 31, 2016 and 2015, respectively. The facility had a weighted average effective interest rate of 3.05% and 2.89% for 2016 and 2015, respectively.

16.3 Derivatives

Natgasoline LLC (a subsidiary of G2X) entered into call and put options securities to manage the exposure to changes in natural gas feedstock to the future plant. These derivative instruments are not designated as hedges.

NOTE 17 NON-FINANCIAL ASSETS

	2016 USD'000	2015 USD'000
Lease finders fee	651	–
Advance drilling costs	3,321	–
Total non-financial assets	**3,972**	**–**

NOTE 18 INVENTORIES

	2016 USD'000	2015 USD'000
Raw materials and supplies	117,898	102,224
Finished goods	18,396	29,716
./. Write down net realisable value	(8,709)	(6,840)
Total inventories	**127,585**	**125,100**

NOTE 18 INVENTORIES (continued)

a) Assigning costs to inventories

The costs of individual items of inventory are determined using weighted average costs.

b) Amounts recognised in profit or loss

Included in year end inventories is an amount of $ 8.7 million (2015: $ 6.8 million) in relation to manufactured melamine inventory which has been written down to net realisable value.

NOTE 19 TRADE AND OTHER RECEIVABLES

	2016 Current USD'000	2015 Current USD'000
Trade receivables	157,847	296,822
Provision for price adjustments	–	(26,903)
Trade receivables	**157,847**	**269,919**
Loans to related parties	–	111,215
Other receivables	47,319	42,781
Prepaid expenses	18,765	30,209
Other receivables	**66,084**	**184,205**
Trade and other receivables	**223,931**	**454,124**

a) Other receivables / prepaid expenses

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months.

Collateral is not normally obtained.

b) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

c) Ageing analysis

As at December 31, 2016 and 2015, the ageing analysis of trade receivables is as follows:

	Total USD'000	Neither past due nor impaired USD'000	Past due but not impaired		
			<30 days USD'000	30 - 120 days USD'000	>120 days USD'000
2016	157,847	118,088	23,274	12,776	3,709
2015	296,822	223,340	54,399	6,311	12,772

NOTE 20 RESTRICTED CASH

	2016 USD'000	2015 USD'000
Restricted cash current	28,334	–

As of December 31, 2016 the total balance of restricted cash is $ 28.3 million, and is part of the senior lien revenue bond 2016 Financing Agreement.

Increases and decreases in restricted cash are shown net in investing cash flows.

NOTE 21 CASH AND SHORT TERM DEPOSITS

a) *Reconciliation to cash flow statement*

The figures presented in the consolidated statement of financial position reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year.

b) *Classification as cash equivalents*

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

NOTE 22 ISSUED CAPITAL AND RESERVES

ORDINARY SHARES ISSUED AND FULLY PAID	2016 USD'000	2015 USD'000
At January 1	54,075	54,075
At December 31	**20,877**	**54,075**

Due to the restructuring of the Group from OPAG to CEL(CH) in 2016, the share capital changed from $ 54.0 million to $ 20.9 million (see note 2)

Proposed dividends on ordinary shares are subjected to approval at the annual general meeting and are not recognised as a liability as at December 31.

In 2016 capital reserves were increased by a cash contribution of USD 250 million, net of USD 2.5 million of transaction costs, which have been paid in 2017.

At January 1, 2016 the former parent of the Group had issued and fully paid 46,484,110 ordinary shares of no par value.

At December 31, 2016 the Company has issued and fully paid 2,000,000 registered shares of CHF 0.01 par value.

NOTE 23 PROVISIONS

2015

Provisions movements	Decomissioning costs USD'000	Contract-related liabilites USD'000	Total USD'000
Opening balance	226,469	253,930	480,399
Additions	2,805	–	2,805
Release	–	(89,276)	(89,276)
Increase in discounted amount	4,348	–	4,348
Closing balance	**233,622**	**164,654**	**398,276**

2016

Provisions movements	Decomissioning costs USD'000	Contract-related liabilites USD'000	Total USD'000
Opening balance	233,622	164,654	398,276
Acquisiton of G2X (transaction under common control)	4,874	–	4,874
Additions	132	–	132
Release	–	(13,374)	(13,374)
Increase in discounted amount	6,402	–	6,402
Reversal	(10,580)	–	(10,580)
Closing balance	**234,450**	**151,280**	**385,730**

Decommissioning costs

The Group's subsidiaries operate petrochemical plants with varying useful lives. Provisions are recognised for the present value of costs to be incurred in the future for the decommissioning of these plants.

Contract-related liabilities

The contract-related liabilities arise from unfavourable terms of charter hire contracts for marine vessels and one of the sales contracts of the subsidiary, MHTL compared to market conditions at the acquisition date.

The provision on the charter hire contracts is released on a straight line basis over the remaining life of each of the vessel contracts and the expense is included in depreciation and amortisation and impairment.

NOTE 24 PENSION

a) *Defined benefit pension plans*

The Group operates defined benefit pension plans in Trinidad. The plans provide benefits to members in the form of a guaranteed level of pension payable for life or retirement lump sums. The level of benefits provided depends on the length of service and their salary.

As there are no remaining contributing plan members and the plan is in surplus MHTL does not expect to pay any contributions to the pension plan during 2017.

NOTE 24 PENSION (continued)

a) *Defined benefit pension plans* (continued)

Balance sheet amounts

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	31.12.2016 USD'000	31.12.2015 USD'000
Amounts recognised in the balance sheet		
Present value of funded obligations	13,348	14,334
Fair value of plan assets	(29,631)	(31,266)
Deficit (surplus) for funded plans	**(16,283)**	**(16,932)**
Effect of limiting defined benefit asset (asset ceiling)	4,885	5,079
Net liability (asset)	**(11,398)**	**(11,853)**
Movement in the defined benefit obligation		
Benefit obligation at beginning of year	**14,334**	**14,430**
Interest expense	664	701
Re-measurement (gains)/losses	(255)	(71)
Exchange rate changes	(728)	(119)
Benefits paid	(667)	(607)
Benefit obligation at end of year	**13,348**	**14,334**
Change in plan assets		
Fair value of plan assets at beginning of year	**31,266**	**32,598**
Interest income	1,468	1,601
Return on plan assets, excluding amount in interest income	(850)	(2,058)
Exchange rate changes	(1,586)	(268)
Benefits paid	(667)	(607)
Fair value of plan assets at end of year	**29,631**	**31,266**
Balance Sheet Reconciliation		
Balance sheet liability (asset) beginning of year	(11,853)	(12,718)
Net pension credit	(563)	(631)
Amounts recognised in OCI	417	1,391
Exchange rate adjustment – (gain)/loss	601	105
Balance sheet liability (asset) end of year	**(11,398)**	**(11,853)**
Expense recognised in profit or loss		
Net interest on the net defined benefit liability	(563)	(631)
Total pension cost recognised	**(563)**	**(631)**

NOTE 24 PENSION (continued)

a) *Defined benefit pension plans* (continued)

	31.12.2016 USD'000	31.12.2015 USD'000
Amounts recognised in other comprehensive income (OCI)		
Re-measurement (gains) / losses on liability-experience adjustment	255	71
Return on plan assets excluding interest income	(850)	(2,058)
Effect of limiting defined benefit asset (asset ceiling)	178	596
Amount recognised in OCI	**(417)**	**(1,391)**

b) *Asset allocation*

The funded plan in Trinidad shows the following asset allocation:

	2016 USD'000	2015 USD'000
Locally listed equities	721	1,054
Overseas equities	3,100	2,503
Government issued nominal bonds	9,816	11,389
Corporate bonds	9,481	10,413
Cash and cash equivalents	6,513	5,907
Total locally listed equities	**29,631**	**31,266**

c) *Risk exposure*

Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

Summary of principal assumptions

	2016 %	2015 %
Discount rate	5.00%	5.00%
Future pension increases	3.00%	3.00%

Employer contributions

The defined benefit obligation is allocated between the plan's members as follows:

	2016 %	2015 %
Deferred members	21.00%	25.00%
Pensioners	70.00%	66.00%
Expense reserve	9.00%	9.00%

	2016	2015
The weighted average duration of the defined benefit obligation at year-end	12.5 years	12.9 years

NOTE 24 PENSION (continued)

c) *Risk exposure* (continued)

At both statement of financial position dates, assumptions regarding future mortality are based on Standard PMA/PFA80 (male and female's 80 series pensioner tables) actuarial tables with projected improvements to 2010 for current retirees and to 2020 for future retirees. The life expectancies underlying the value of the defined benefit as at December 31, 2016 are as follows:

	2016	2015
Life expectancy at age 60 for current pensioner in years		
Male	21.0	21.0
Female	25.1	25.1
Life expectancy at age 60 for current members age 40 in years		
Male	21.4	21.4
Female	25.4	25.4

Funding

The Group's subsidiary, MHTL, meets the balance of the cost of funding the defined benefit pension plan and MHTL must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every three years) actuarial valuations of the plan and the assumptions used to determine the funding required may differ from those set out above. As there are no remaining contributing plan members and the plan is in surplus MHTL does not expect to pay any contributions to the pension plan during 2017.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at December 31, 2016 would have changed as a result of a 1% change in the assumptions used.

	Increase USD'000	Decrease USD'000
Discount rate (change +/- 1%)	(1,432)	1,763

NOTE 25 TRADE AND OTHER PAYABLES

	2016 USD'000	2015 USD'000
Trade payables	49,631	13,301
Other current liabilities	56,800	19,415
Accrued expenses	36,588	117,927
Total trade and other payables	**143,019**	**150,643**

Payables and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables and accruals are recognised at fair value initially and subsequently measured at amortised cost.

NOTE 26 COMMITMENTS AND CONTINGENCIES

Contingencies

- The tax authorities have conducted corporation tax audits of the Group's subsidiary MHTL and its predecessor companies in respect of several years of income. These audits are at various stages ranging from responses to proposals for material adjustments by the tax authorities, objections to assessments and appeals to the Tax Appeal Board. Arising from these audits, material adjustments were proposed, to which MHTL has responded. For some of the audits, assessments were issued to which objections were filed with the tax authorities, challenging the assessments. Some of the audits have reached the appeal stage and MHTL has filed notices of appeal with the Tax Appeal Board challenging the assessments raised. MHTL based on independent professional advice, estimates it is not probable that material additional liabilities in respect of the audits described above are expected to crystallise. With reference to tax authorities assessments noted above, due to the erroneous nature of some of the items in the assessments, the number of legal entities, preamalgamation and the various fiscal incentives provided to the respective entities, it is not practicable to reasonably quantify the exposure at this time.

- The tax authorities conducted corporation tax audits of CNC for years of income 2006, 2007, 2008, 2009 and 2010. Assessments for 2006, 2007 and 2008 were raised by the tax authorities of which $ 6.0 million (principal), CNC has disputed and the matter is being taken to the Tax Appeal Board. Assessments were raised for 2009 and 2010 by the tax authorities amounting to $ 3.3 million (principal) and $ 7.7 million (principal) respectively against which CNC objected. The Company is of the view that no material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.

- The tax authorities of Trinidad and Tobago have conducted corporation tax audits of N2K, a subsidiary of the Group in respect of the years of income 2007, 2008, 2009, 2010 and 2011. Assessments for 2007 and 2008 were raised by the tax authorities of which $ 3.2 million (principal), N2K has disputed and the matter is being taken to the Tax Appeal Board. Assessments were also raised for 2009, 2010 and 2011 by the tax authorities amounting to $ 1.5 million (principal), $ 1.4 million (principal) and $ 1.2 million (principal) respectively against which N2K has objected. The Company is of the view that no material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.

Commitments

		2016 USD'000	**2015 USD'000**
Capital Commitments	a)	219,000	18,000
Operating Lease Commitments	b)	1,287,790	1,169,540
Drilling Carry Commitments	c)	167,000	–

a) *Capital commitments*

The Group has the following capital commitments as at December 31, 2016

- MHTL - $ 9.0 million (2015 - $ 18 million)
- Firewater - $ 210 million (2015 - $ 0 million)

NOTE 26 COMMITMENTS AND CONTINGENCIES (continued)

Commitments (continued)

b) Operating lease commitments

The Group leases its manufacturing and administration sites, land, methanol and marine vessels and shipping facilities under non-cancellable lease arrangements for varying periods. As at December 31, future minimum lease payments for the Group are as follows:

	2016 USD'000	**2015** USD'000
Up to one year	110,030	89,494
Two to five years	441,195	363,820
Over five years	736,565	716,226
Total	**1,287,790**	**1,169,540**

c) Drilling carry

The Group agreed to fund a portion of its operator's well costs on each well up to a total amount of $ 170 million ("Drilling Carry"). The amount of the Drilling Carry for each well is equal to 45% of Terra Energy Partners (third party) 51% working interest on well costs. A wellbore interest is earned as each well is drilled and completed. Upon full satisfaction of the Drilling Carry, the Group will have earned 49% interest in the wellbore as well as the leasehold associated with all existing wells and future drilled wells. As of December 31, 2016, the Group has a remaining Drilling Carry commitment of $ 167.0 million.

d) Sales commitments

The Group's subsidiary have sales commitments for petrochemical products in accordance with contractual obligations.

e) Purchase commitments

The Group has purchase commitments for electricity, water, carbon dioxide and natural gas for varying periods ranging up to 15 years, in accordance with contractual obligations.

One of the Group's subsidiaries, Methanol Holdings (Trinidad) Limited has take or pay contracts for all its gas volumes for the plants and the minimum volumes were all taken during the year. As at the year end, there were no take or pay obligations.

f) Pledged assets

Residential properties in the amount of $ 979 thousand are held as collateral in mortgage agreements.

NOTE 27 RELATED PARTY DISCLOSURES

Parent entities / Controlling party

Name	Type	Ownership interest 2016 %	Ownership interest 2015 %
Proman Holding AG	Ultimate parent entity	75	75
Helm AG	Ultimate parent of Shareholder with significant influence	25	25

Subsidiaries

Interests in subsidiaries are set out in note 1.

Key management personnel compensation

	2016 USD'000	2015 USD'000
Short-term employee benefits	1,337	1,243
Post-employment benefits	8	–
Termination benefits	20	–
Share-based payments	383	–
Total	**1,748**	**1,243**

Certain key management personnel compensations are paid by Proman entities, that are outside of the Group and not included in the table above.

Terms and conditions of transactions with related parties

The following companies are related parties by virtue of common shareholders

- Proman Holding AG
- Proman Holding (Barbados) Ltd
- Process Energy (Trinidad) Ltd
- Proman AG (Trinidad) Ltd
- Caribbean Nitrogen Company Ltd (associated)
- Nitrogen (2000) Unlimited (associated)
- Methanol Holdings (International) Ltd (associated)
- Proman Immobilien AG
- MKC Contracting LLC
- C.P.C. Caribbean Petrochemical Company Ltd
- Proman Gesellschaft für Projektmanagement GmbH
- Eurotecnica Contractors and Engineers SpA
- Industrial Plant Services Ltd
- De Novo Energy (Barbados) Ltd
- Southern Chemical Corporation
- Mozambique Petrochemical Co. SA

The following companies are related parties due to a significant influence on the group:

- HELM AG
- HELM Asia Pte

NOTE 27 RELATED PARTY DISCLOSURES (continued)

Helm AG and CPC Caribbean Petrochemical Company Limited

The Group has supply contracts with Helm AG for the sale and distribution of Methanol, UAN and Melamine in the United States (US) and Europe. Helm AG has assigned to another related party, CPC Caribbean Petrochemical Company Limited (CPC), the sale and distribution of its US volumes. The Group has take or pay arrangements with its customers for its products which were all met during the year.

Proman AG (Trinidad) Limited

Proman AG (Trinidad) Limited is the onshore EPC (Engineering, procurement & Construction) contractor and is a related party by virtue of common shareholders.

Industrial Plant Services Limited (IPSL)

The Group's subsidiary, MHTL, has entered into a contract with Industrial Plant Services Limited for the overall operation and maintenance of the AUM and Methanol plants. In accordance with the contract MHTL pays for the following services:

– Direct costs, included but not limited to employee costs and benefits, contract labour costs, repair materials, tools and equipment, office and other supplies and services as agreed by both parties in the contract.

– A quarterly fee based on production volumes at various rates along product lines.

Process Energy (Trinidad) Limited

This company rents office space from Methanol Holdings (Trinidad) Limited. This company also provides financial support services to Consolidated Energy Limited.

Other related parties

The following transactions were carried out with related parties:

a) Sales of goods and services

	2016 USD'000	2015 USD'000
Entities with a significant influence over the Group	349,773	409,086
Ultimate parent group companies	12,931	–
Associates	17,291	17,680
Other related parties	446,476	864,138
Total sales of goods and services	**826,471**	**1,290,904**

b) Other income

	2016 USD'000	2015 USD'000
Ultimate parent group companies	56	25
Associates	67	67
Total other income	**123**	**92**

NOTE 27 RELATED PARTY DISCLOSURES (continued)

Other related parties (continued)

c) Purchase of goods and services

	2016 USD'000	2015 USD'000
Entities with a significant influence over the Group	7,858	10,494
Ultimate parent group companies	67,180	88,147
Associates	7,256	15,049
Other related parties	37,371	27,802
Total purchase of goods and services	**119,665**	**141,492**

d) Interest and other financial expense

	2016 USD'000	2015 USD'000
Ultimate parent	1,049	–
Total interest and other financial expense	**1,049**	**–**

e) Balances arising from sales/purchases of goods and services

i) Included in the trade and other receivables are the following amounts due from related parties:

	2016 USD'000	2015 USD'000
Entities with a significant influence over the Group	13,131	66,811
Ultimate parent group companies	4,534	14,103
Associates	2,047	26
Other related parties	135,709	202,264
Total receivables from related parties	**155,421**	**283,204**

ii) Included in the trade and other payables are the following amounts to related parties:

	2016 USD'000	2015 USD'000
Entities with a significant influence over the Group	23	–
Ultimate parent group companies	11,848	6,980
Associates	2,266	1,161
Other related parties	4,579	1,743
Total payables to related parties	**18,716**	**9,884**

NOTE 27 RELATED PARTY DISCLOSURES (continued)

Other related parties (continued)

f) Balances arising from loans to/ from related parties

i) Loans from related parties:

		Interest Income	**Loans from related parties**
Associates	2016	–	–
Associates	2015	215	111,000

NOTE 28 EVENTS AFTER THE REPORTING PERIOD

The Group continues to be in negotiations with its natural gas supplier for the renewal of gas contracts for the some of its Methanol plants, as well as developing alternative gas supplies from other sources. At time of the issuance of this annual report, these negotiations and initiatives were still ongoing and cannot be commented upon.

General gas supply curtailments imposed by the National Gas Company on all of its customers have led the Group to temporarily put two of its five Methanol plants off-line. While temporarily underutilized manpower costs are being absorbed by the Group, the Group continuously monitors its headcount requirements and regularly adjusts its plant operations. In February 2017 a further streamlining of its workforce was announced. The financial impact of the latest manpower restructuring cannot be estimated at the time of issuance of this annual report.

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To the General Meeting of
Consolidated Energy Ltd, Wollerau

Zurich, 29 March 2017

Statutory auditor's report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Consolidated Energy Ltd and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016 and the consolidated statement of profit/(loss), the consolidated statement of comprehensive income/(loss), consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the consolidated financial statements (pages 4 to 55) give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the IESBA Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: http://www.expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and the Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Martin Mattes
Licensed audit expert
(Auditor in charge)

Pascal Solèr
Licensed audit expert

OPAG (BARBADOS) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in United States Dollars)

Ernst & Young

OPAG (BARBADOS) LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OPAG (BARBADOS) LIMITED

We have audited the accompanying consolidated financial statements of OPAG (Barbados) Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF OPAG (BARBADOS) LIMITED (Continued)

Other Matter

The comparative information for the consolidated statement of financial position as at 31 December 2014 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the summary of significant accounting policies and other explanatory information were not audited.

Bridgetown
BARBADOS:
29 July 2016

OPAG (BARBADOS) LIMITED

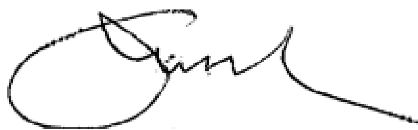
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

(Expressed in United States Dollars)

ASSETS	Notes	2015 $'000	Unaudited 2014 $'000	Unaudited As at 1 January 2014 $'000
Non-current assets				
Property, plant and equipment	6	2,007,968	2,141,923	–
Intangible assets	7	577,194	653,808	–
Investments in associates	9	464,847	485,766	1,155,768
Pension asset	10	11,853	12,718	–
Deferred tax assets	II	133,274	135,765	–
		3,195,136	3,429,980	1,155,768
Current assets				
Inventories	12	125,100	138,861	–
Trade and other receivables	13	454,124	397,616	170
Taxation recoverable		5,244	5,244	–
Cash and cash equivalents	14	213,920	346,754	36,933
		798,388	888,475	37,103
Total assets		3,993,524	4,318,455	1,192,871
EQUITY AND LIABILITIES				
Equity				
Share capital	15	54,075	54,075	54,075
Retained earnings		1,024,008	1,005,664	837,709
Equity attributable to equity holder of the parent		1,078,083	1,059,739	891,784
Non-controlling interest		385,762	379,452	288,977
Total equity		1,463,845	1,439,191	1,180,761
Non-current liabilities				
Borrowings	16	1,475,825	1,563,249	–
Deferred tax liabilities	11	434,122	454,137	–
Asset retirement obligations	17	233,622	226,469	–
Other liabilities	18	164,654	178,030	–
		2,308,223	2,421,885	–
Current liabilities				
Borrowings	16	60,857	220,551	–
Trade and other payables	19	150,643	157,205	12,110
Taxation payable		9,956	3,723	–
Other liabilities	18	–	75,900	–
		221,456	457,379	12,110
Total liabilities		2,529,679	2,879,264	12,110
Total equity and liabilities		3,993,524	4,318,455	1,192,871

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

Director

 Director

OPAG (BARBADOS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in United States Dollars)

	Notes	2015 $'000	Unaudited 2014 $'000
Gross revenue	24	1,294,202	358,594
Cost of sales	20	(1,064,135)	(335,111)
Gross profit		230,067	23,483
Other income	21	14,905	195,375
Other expenses			
General and administrative	20	(71,330)	(14,536)
Marketing	20	(742)	(377)
		(72,072)	(14,913)
Operating profit		172,900	203,945
Net finance costs	22	(143,638)	(26,260)
Share of results of associates	9	39,821	106,096
Profit before taxation		69,083	283,781
Taxation charge	23	(43,125)	(2,837)
Profit for the year		25,958	280,944
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-measurement of post-employment benefit obligations	10	(1,391)	747
Income tax effect		487	(261)
Re-measurement of post-employment benefit obligations		(904)	486
Total comprehensive income for the year		25,054	281,430
Profit attributable to:			
Equity holder of the parent		19,422	190,591
Non-controlling interest		6,536	90,353
		25,958	280,944
Total comprehensive income attributable to:			
Equity holder of the parent		18,744	190,955
Non-controlling interest		6,310	90,475
		25,054	281,430

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

OPAG (BARBADOS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in United States Dollars)

	Share capital $'000	Retained earnings $'000	Sub-total $'000	Non-controlling interest $'000	Total $'000
Unaudited year ended 31 December 2014					
Balance at 1 January 2014	54,075	837,709	891,784	288,977	1,180,761
Net profit for the year	–	190,591	190,591	90,353	280,944
Other comprehensive income	–	364	364	122	486
Dividends paid	–	(23,000)	(23,000)	–	(23,000)
Balance at 31 December 2014	54,075	1,005,664	1,059,739	379,452	1,439,191
Year ended 31 December 2015					
Balance at 1 January 2015	54,075	1,005,664	1,059,739	379,452	1,439,191
Net profit for the year	–	19,422	19,422	6,536	25,958
Other comprehensive income	–	(678)	(678)	(226)	(904)
Dividends paid	–	(400)	(400)	–	(400)
Balance at 31 December 2015	54,075	1,024,008	1,078,083	385,762	1,463,845

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

OPAG (BARBADOS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

(Expressed in United States Dollars)

	Notes	2015 $'000	Unaudited 2014 $'000
Operating activities			
Profit before taxation		69,083	283,781
Adjustments for:			
Depreciation and amortisation		126,329	32,204
Impairment of goodwill	8	63,431	–
Loan interest expense	22	114,399	24,569
Net pension credit	10	(631)	(570)
Exchange difference on pension asset	10	105	(98)
Provisions: unwinding of discount	22	4,348	1,309
Amortization of transaction costs		993	–
Gain on re-measurement of previously held interest	21	–	(189,742)
Share of results of associates	9	(39,821)	(106,096)
		338,236	45,357
Working capital adjustments:			
Decrease in inventories		17,909	632
Decrease in trade and other receivables		54,491	35,014
Decrease in trade and other payables		(4,808)	(11,395)
		405,828	69,608
Taxation paid		(53,936)	(14,836)
Net cash flows from operating activities		351,892	54,772
Investing activities			
Purchase of property, plant and equipment	6	(47,590)	(12,538)
Acquisition of subsidiary, net of cash acquired	5	–	(849,905)
Dividends received		60,740	62,297
Loan to related party	24	(111,000)	–
Net cash flows used in investing activities		(97,850)	(800,146)
Financing activities			
Proceeds from long term loans		650,000	–
Transaction costs on long term loans		(16,101)	–
Proceeds from issuance of notes		–	1,239,500
Transaction costs on issuance of notes		(172)	(48,515)
Repayment of other borrowings		(914,373)	(104,259)
Loan interest paid		(105,830)	(8,531)
Dividends paid		(400)	(23,000)
Net cash flows (used in)/from financing activities		(386,876)	1,055,195
Net (decrease)/increase in cash and cash equivalents		(132,834)	309,821
Cash and cash equivalents - beginning of year		346,754	36,933
Cash and cash equivalents - end of year	14	213,920	346,754

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

(Expressed in United States Dollars)

1 General information

OPAG (Barbados) Limited ("the Company") was incorporated on 22 October 2008 under the Companies Act Cap. 308 of the Laws of Barbados in order to reorganise the global petrochemical operations of Oil Products AG, the former parent company of OPAG (Barbados) Limited. In 2009, Proman Holding AG became the ultimate parent company of the Company. The Company is licensed under the International Business Companies Act Cap 77 of the Laws of Barbados. The address of its registered office is 1st Floor West Wing, Chelsea House, Chelsea Road, St. Michael, BB14022, Barbados. The parent company, Proman Holding A.G., is incorporated in Switzerland.

The Company operates as the investment holding company of Consolidated Energy Limited ("CEL"), a 75% (2014: 75%) owned subsidiary.

CEL has wholly-owned subsidiaries of FS Petrochemicals (St Kitts) Limited, Consolidated Energy Finance S.A. and Methanol Holdings (Trinidad) Limited ("MHTL") which was previously held as an associate with 43.47% ownership. FS Petrochemicals (St Kitts) Limited is also an investment holding company, whose only investment is a 30% shareholding in Nitrogen (2000) Unlimited thereby making the latter an associate of the Company. Consolidated Energy Finance SA was incorporated in July 2014 for the main purpose of financing the acquisition of the remaining 56.53% shareholding in MHTL. This acquisition was completed in October 2014. MHTL has a fully owned subsidiary, Methanol Holdings (Delaware) LLC which was incorporated on 11 June 2015 in the United States of America. The subsidiary, Methanol Holdings (Delaware) LLC is dormant and does not have any net assets to be reported herein and is disclosed in the accounts of MHTL.

CEL has associate interests in Methanol Holdings (International) Limited and Caribbean Nitrogen Company Limited. Methanol Holdings (International) Limited is an investment holding company with a 60% interest in Oman Methanol Company LLC.

These consolidated financial statements were approved for issue by the Board of Directors of OPAG (Barbados) Limited on 29 July 2016.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of OPAG (Barbados) Limited and its subsidiaries ("the Group") have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) (referred to as 'IFRS').

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the earliest period presented when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. An additional statement of financial position as at 1 January 2014 is presented in

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

these consolidated financial statements due to the retrospective application of IFRS 10, *Consolidated Financial Statements.* In previous years, the Company had elected not to prepare consolidated financial statements and the accounts were prepared in accordance with IAS 27, *Separate Financial Statements.* In 2015, management has decided to prepare consolidated financial statements in accordance with IFRS 10.

2.2 Basis of consolidation

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

b) *Changes in ownership interests in subsidiaries without change of control.*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) *Disposal of subsidiaries*

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

d) *Associates*

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the investee after the date of acquisition. The Group’s investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group’s share of post-acquisition profit or loss is recognised in the consolidated statement of comprehensive income and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to ‘share of profit/ (loss)’ in the consolidated statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group’s consolidated financial statements only to the

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.2 Basis of consolidation (continued)

d) Associates (continued)

extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the consolidated statement of comprehensive income.

2.3 Summary of significant accounting policies

New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual consolidated financial statements of the Group.

Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Group, since none of the entities within the Group have defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

With the exception of the improvement relating to IFRS 2 *Share-based Payment* applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. The Group has applied these improvements for the first time in these consolidated financial statements. They include:

IFRS 2 *Share-based Payment*

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The clarifications are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods. The Group does not have any share based payments. Thus, these amendments did not impact the Group's consolidated financial statements or accounting policies.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

Annual Improvements 2010-2012 Cycle (continued)

IFRS 3 *Business Combinations*

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This is consistent with the Group's current accounting policy and, thus, this amendment did not impact the Group's accounting policy.

IFRS 8 *Operating Segments*

The amendments are applied retrospectively and clarify that:

i. An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.

ii. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

This amendment is not relevant to the Group.

IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact on the Group's consolidated financial statements.

IAS 24 *Related Party Disclosures*

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Group as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Group has applied these amendments for the first time in these consolidated financial statements.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

Annual Improvements 2011-2013 Cycle (continued)

IFRS 3 ***Business Combinations***

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

i. Joint arrangements, not just joint ventures, are outside the scope of IFRS 3

ii. This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

OPAG (Barbados) Limited is not a joint arrangement, and thus this amendment is not relevant for the Group and its subsidiaries.

IFRS 13 ***Fair Value Measurement***

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Group does not apply the portfolio exception in IFRS 13.

IAS 40 ***Investment Property***

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. In previous periods, the Group has relied on IFRS 3, not IAS 40, in determining whether an acquisition is of an asset or is a business acquisition. Thus, this amendment did not impact the accounting policy of the Group.

Standards and interpretations not yet effective and not early adopted

The Group has not early adopted the following new and revised IFRSs and IFRIC interpretations that have been issued but are not yet effective or not relevant to the Group's operations:

- 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.
- 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 IAS 1 - Disclosure Initiative - 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

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

Standards and interpretations not yet effective and not early adopted (continued)

- IFRS 9 - Financial Instruments - Effective 1 January 2018
- IFRS 16 - Leases - Effective 1 January 2019

The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they are effective.

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 and are effective for annual periods beginning on or after 1 January 2016:

- 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'

2.4 Foreign currencies

a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollars which is the Group's functional and the Group's presentation currency.

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'net finance cost'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within general and administrative expenses.

2.5 Impairment of non-financial assets

At each reporting date, an assessment is done as to whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU's) fair value less costs of disposal and its value in use. The recoverable amount 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. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.5 Impairment of non-financial assets (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate or an equivalent post tax rate on post tax cash flows which approximate the tax discount results, that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of ten to twelve years. A long-term growth rate is calculated and applied to project future cash flows after the initial forecast period.

2.6 Property, plant and equipment

Property, plant and equipment are stated at fair value at the acquisition date less subsequent depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset at the following rates:

Leasehold land and buildings	-	30 years
Plant and machinery	-	15-20 years
Furniture and equipment	-	4-10 years
Turnaround costs	-	4 years
Catalyst in use	-	3 years
Work in progress	-	Nil

Catalyst costs are capitalised upon acquisition. No amortisation is taken until such time as the catalyst is installed. Amortisation rates are disclosed above.

Borrowing costs in connection with major capital projects are capitalised during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of comprehensive income. Repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.7 Turnaround costs

Major planned maintenance expenditure (turnarounds) providing benefits accruing to periods longer than one year are amortised evenly over these periods, usually 48 months. Where significant additional capital costs which enhance the life of the plants are incurred during turnaround, these costs are capitalised and written off over the remaining useful lives of the plants.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.8 Intangible assets and liabilities

The cost of intangible assets and liabilities acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets and liabilities are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets and liabilities with finite lives are amortised using the straight line method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset/liability may be impaired. The amortisation period and the amortisation method for an intangible asset/liability with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets/liabilities with finite lives is recognised in the consolidated statement of comprehensive income in the expense category that is consistent with the function of the intangible assets/liabilities.

Intangible assets and liabilities with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of intangible assets/liabilities are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Goodwill

Goodwill arising on the acquisition of subsidiaries is initially measured at the excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired and liabilities assumed. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

After initial recognition, goodwill acquired in a business combination is measured at the amount recognised at the acquisition date less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the date of acquisition is allocated to each of the Group’s cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.8 Intangible assets and liabilities (continued)

Goodwill (continued)

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill impairment reviews are undertaken annually as at 31 December or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash generating unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.9 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

2.10 Inventories

Methanol, Ammonia, UAN and Melamine are valued at the lower of production cost and estimated net realisable value. Production cost comprises: cost of raw materials, water and power, labour, plant depreciation, and other directly attributable costs and other overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Consumable items and spare parts are stated at weighted average cost less provision for obsolescence.

2.11 Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade accounts receivable is established where there is objective evidence that the Group will not be able to collect all amounts due. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, and is recognised in the consolidated statement of comprehensive income.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other bank balances with original maturities of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank. Under the terms of the loan agreement with the international lender, there are restrictions regarding the disbursement of funds from certain designated bank accounts (Note 16).

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.13 Share capital

Ordinary shares are classified as equity.

2.14 Payables and accruals

Payables and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables and accruals are recognised at fair value initially and subsequently measured at amortised cost.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are derecognised when the obligation under the liability is discharged or cancelled or expires. When loan is replaced by another where the terms of an existing liability are substantially modified, the exchange or modification is treated as a derecognition of the loan and the recognition of a new loan. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.16 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.17 Current and deferred income taxes (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Currently enacted tax rates as well as rates applicable on tax holidays are used to determine deferred taxation. The principal temporary differences arise from depreciation on property, plant and equipment, asset retirement obligations, tax losses, pension asset, fair value adjustments and vacation accruals.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The share of results of associates, dividends received and capital gains are not taxable. As such, no deferred tax assets or liabilities have been recorded on the investments in associates.

Generally the Group is unable to control the reversal of the temporary differences of the associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference is recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Asset retirement obligations

The Group accounts for the costs of decommissioning and dismantlement of its plants. Independent estimates are obtained, at current market prices, of the decommissioning and dismantlement costs of the Group's plants. These estimates are then inflated to the expected dismantlement dates of the plants and discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability, with the resultant amounts being capitalised under property, plant and equipment as part of the carrying amount of the plants. These costs are then amortised over the estimated useful lives of the plants. The fair value of the decommissioning and dismantlement liabilities is recognised in accordance with the accounting policy for provisions (see accounting policy 2.19).

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.18 Asset retirement obligations (continued)

In subsequent periods, the decommissioning and dismantlement liabilities are adjusted for the passage of time and other factors. Any change in the amount or timing of the underlying future cash flows due to changes in the discount rates or otherwise is added to or deducted from the related amounts recorded in property, plant and equipment. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the consolidated statement of comprehensive income.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of product in the ordinary course of the Group's activities. Revenue is exclusive of value added tax.

Revenue from Methanol, Ammonia, UAN and Melamine sales is recognised when the title to the product passes to the purchaser, in accordance with contractual arrangements, normally at the time of loading onto delivery vessels. In respect of certain related party sales, final prices are only determined upon sale of the product to third party customers. In respect of other sales, final prices are agreed upon receipt of the product by the customer.

Sales invoice pricing is laid out in the individual sales contracts and is determined on the following bases:

- Methanol - Prices are derived from published market prices less distribution costs which include marketing fees, customer discounts, storage and handling costs and other transshipment costs.
- UAN - Prices are derived from published market prices less distribution costs which include marketing fees, water dilution costs, storage and surveyor costs, financing fees and custom duties.
- Melamine - Prices are derived from negotiated prices between the Group's customer and the final customer on a quarterly basis. The final sales price is determined after deducting distribution costs and marketing fees.
- Ammonia - Prices are derived from published market prices less market discounts.

Interest income arising from cash and cash equivalents is recognised when earned.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.20 Revenue recognition (continued)

Interest income on loan receivables is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.21 Financial Instruments – initial recognition and measurement

A financial instrument is any contract that gives rises to a financial asset of one entity and financial liability or equity instrument of another entity.

a) Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise amounts due from related parties, other receivables and cash and cash equivalents.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment.

Interest income on long-term loans and receivables is recognised by applying the effective interest rate.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and any other premiums or discounts) through the expected life of the debt instrument, to the net carrying amount on initial recognition.

Financial liabilities

Financial liabilities include corporate bonds, payables, loans and amounts due to related parties and they are subsequently measured at amortized cost using the effective interest method.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.21 Financial Instruments – initial recognition and measurement (continued)

a) Financial assets and financial liabilities (continued)

Financial liabilities (continued)

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form and integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the net carrying amount on initial recognition.

b) Recognition and derecognition

Financial assets are recognised on the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Recognition of financial liabilities is dealt with under Borrowings and Financial liabilities. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or when they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated statement of comprehensive income.

c) Determination of fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (i.e. the fair value of the consideration given or received).

For financial instruments traded in an active market, the determination of fair values of financial assets and liabilities is based on quoted market prices or dealer price quotations. If a rate (rather than a price) is quoted in an active market, the Group uses that market-quoted rate as an input into a valuation technique to determine fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regular occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions. When a market becomes inactive, the valuation technique utilised is the Group's internally developed model which is based on discounted cash flow analysis.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using input existing at the year end.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.21 Financial Instruments – initial recognition and measurement (continued)

c) Determination of fair value (continued)

The Group where applicable uses an internally developed model which is generally consistent with other valuation models used in the industry. Valuation models are used to value unlisted debt securities and other debt securities for which the market has become or is illiquid. Some of the inputs of this model may not be market observable and are therefore based on assumptions.

d) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category carried at amortised cost, 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(Expressed in United States Dollars)

2 Significant accounting policies (continued)

2.22 Pension obligations

One of the Group's subsidiaries, Methanol Holdings (Trinidad) Limited operates a defined final salary pension plan for its former eligible employees (Note 10). Fund managers appointed by the trustees of the plan administer the funds of the plan. The pension plan has been funded by payments from employees and the subsidiary company, taking account of the periodic recommendations of independent qualified actuaries.

The asset recognised in the consolidated statement of financial position in respect of the defined final salary pension plan is the fair value of plan assets less the present value of the defined benefit obligations at the statement of financial position date, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The pension asset is calculated annually by independent qualified actuaries using the projected unit credit method, and a full valuation is done at least every three years. The most recent completed full actuarial valuation was as at 31 December 2014. Roll forward valuations, which are less detailed than full valuations are performed annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Retirement arrangements for the subsidiary company are administered through individual policy contracts. There are no retirement benefit obligations in respect of the former subsidiary companies of Methanol Holdings (Trinidad) Limited; Caribbean Methanol Company Limited and Methanol IV Company Limited.

2.23 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Board of Directors.

2.24 Financial Instruments

Financial instruments carried on the consolidated statement of financial position include cash and cash equivalents, trade and other receivables, trade and other payables and long-term borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.25 Finalisation of provisional acquisition accounting

Following a business combination, the Group had a period of not more than twelve months from the date of acquisition to finalise the acquisition date fair values of assets acquired and liabilities assumed, including the valuations of identifiable intangible assets and property, plant and equipment. The determination of fair value of acquired identifiable intangible assets and liabilities and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. In accordance with the accounting policy described in Note 2.2(a), any adjustments on finalisation of the provisional purchase accounting are recognised retrospectively to the date of acquisition.

(Expressed in United States Dollars)

3 Financial risk management

a) Financial risk factors

The Group'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 Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Market risk

i. Currency risk

Management considers that the Group is not exposed to significant foreign exchange risk arising from currency exposure primarily because all receipts by way of equity and all significant payments are denominated in United States dollars. Dividend income and major expenses are denominated in United States dollars. Transactions in other currencies are not significant.

ii. Interest rate risk

The Group's interest rate risk arises from long-term loans from third parties. Notes and other long term loans issued at variable rates expose the Group to cash flow interest rate risk. Notes and other long term loans issued at fixed rates expose the Group to fair value interest rate risk.

The floating rate notes and long-term loans are instruments which bear interest at LIBOR, which is variable, plus a fixed margin. The fair value of this debt is estimated at approximately $1.22 billion, out of which $194 million are floating interest bonds and has been based on the future cash flows discounted using the current market rate for similar debt.

The Group has call deposits which are at fixed interest rates and accordingly there is no exposure to interest rate risk.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only high profile institutions are utilised. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. The carrying amounts of the following assets and liabilities approximate their fair values: cash and cash equivalents, trade and other receivables, and trade and other payables.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flow.

(Expressed in United States Dollars)

3 Financial risk management (continued)

a) Financial risk factors (continued)

Liquidity risk (continued)

The table below shows the undiscounted financial liabilities classed by maturity groupings from the statement of financial position date:

	Less than 1 year $'000	1 - 2 years $'000	2 - 5 years $'000	Over 5 years $'000
At 31 December 2015				
Trade and other payables (Note 19)	150,643	–	–	–
Borrowings	155,853	95,649	1,457,499	294,267
At 31 December 2014 (Unaudited)				
Trade and other payables (Note 19)	157,205	–	–	–
Borrowings	308,435	293,008	1,680,271	–

b) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

The gearing ratios at 31 December 2015 and 2014 were as follows:

	2015 $'000	Unaudited 2014 $'000
Total borrowings (Note 16)	1,536,682	1,783,800
Less: cash and cash equivalents (Note 14)	(213,920)	(346,754)
Net debt	1,322,762	1,437,046
Total equity	1,463,845	1,439,191
Total capital	2,786,607	2,876,237
Gearing ratio	**47%**	**50%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call borrowings. There have been no breaches of the financial covenants of any borrowings in the current period.

(Expressed in United States Dollars)

3 Financial risk management (continued)

c) Fair value estimation

All assets and liabilities for which fair value is measured or disclosed in financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The Group does not have recognised recurring fair value measurements, apart from asset retirement obligations. However there are recognised non-recurring fair value measurements, which relate to assets and liabilities acquired in the prior year, the acquisition accounting for which was completed in the current year. All assets and liabilities described above, are categorised in Level 3 (significant unobservable inputs) of the fair value hierarchy. Accordingly, present value techniques were employed to determine the recognised non-recurring fair value measurements. Subsequent to initial recognition, the only asset or liability subject to subsequent measurement adjustments was goodwill.

The Group does not have any financial instruments carried at fair value. The fair value of fixed rate borrowings for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments (Level 2 of the fair value hierarchy).

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

4.1 Decommissioning and dismantlement costs

The Group relied on the experience of a related party contractor in estimating decommissioning costs for its plants. The provision has been estimated using existing technology, at current prices, and using discount rates of 3.57% - 4.17% and core inflation rate of 2%.

4.2 Income taxes

Some judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(Expressed in United States Dollars)

4 Critical accounting estimates and judgments (continued)

4.3 Property, plant and equipment

The carrying value of Property Plant and Equipment is impacted by estimates and assumptions of the useful lives and residual values of the Group's petrochemical plants and the results of any impairment recognised. The above are affected by but not limited to the following factors; natural gas supply, inflation, estimates of future selling prices and discount rates, and maintenance programs.

4.4 Pension asset

The pension asset represents 70% of the surplus of the fair value of the plan assets over the defined benefit obligation which the Group's subsidiary MHTL expects to realise following a winding up of the pension plan. The eventual realisation of the surplus is dependent on the decision of the trustees who will who will take into consideration the advice of the actuaries and relevant legislative and statutory bodies.

4.5 Provision for inventory obsolescence of inventory spares

This provision is dependent on assumptions which include technical compatibility or usability, the frequency of movement and age.

4.6 Sales provision

In respect to certain related party sales where the final prices are only determined upon sale of the product to third party customers, which is assumed to be at least one month from loading of the delivery vessel, management has estimated this final price by reference to market prices after the statement of financial position date.

4.7 Business combinations

Accounting for business combinations is predicated on assessing the fair value, as of the date of the business combination, of a number of items, including the consideration paid for an acquisition, and the allocation of the consideration paid to the tangible and intangible assets acquired, and liabilities assumed, based on their estimated fair values. The determination of the fair value of the consideration transferred may include a number of factors including, but not limited to: an assessment of the value of equity interests issued. The determination of many of these factors may require significant management estimates and assumptions.

The fair values of the identifiable assets acquired and liabilities assumed were initially recorded at provisional amounts in accordance with IFRS 3- Business Combinations. The provisional amounts recorded in the financial statements as at 31 December 2014 were based on the information available to management at the time of their preparation and approval. Prudent assumptions were made in estimating the acquisition date fair values based on the facts and circumstances applicable to the acquisition at the acquisition date. As discussed in Note 2.25, the Group had a period of not more than twelve months from the date of acquisition to finalise the acquisition date fair values of assets acquired and liabilities assumed. The adjustments to the provisional fair values of assets acquired, liabilities assumed and the resultant goodwill are outlined in Note 5.

(Expressed in United States Dollars)

4 Critical accounting estimates and judgments (continued)

4.8 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next ten to twelve years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow (DCF) model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 8.

5 Business combination

Acquisition of Methanol Holdings (Trinidad) Limited

The following disclosures relate to a business combination of a material subsidiary of the Group, Consolidated Energy Limited.

On 9 October 2014, Consolidated Energy Limited (CEL) acquired the remaining 56.53% interest in Methanol Holdings (Trinidad) Limited (MHTL) for $1,175 million, making it a wholly-owned subsidiary.

Prior to this acquisition, CEL held 43.47% of MHTL and CL Financial Limited (CLF) & Colonial Life Insurance Company Limited (CLICO) together held the remaining 56.53%. In November 2013, following an international arbitration involving MHTL's shareholders, the tribunal of the International Chamber of Commerce's International Court of Arbitration (ICC) ruled that CLF and CLICO must sell their combined interest of 56.53% in MHTL to CEL. The final terms, including the purchase price of $1,175 million was set by the ICC Tribunal on 24 August 2014. On 23 September 2014, CLF and CLICO offered CEL the remaining 56.53% interest in MHTL which CEL accepted on 25 September 2014. The process for transfer of control in MHTL to CEL was completed on 9 October 2014. For accounting purposes, the acquisition was effected from 1 October 2014.

This acquisition was financed by fixed and floating rate notes issued by the Group's subsidiary, Consolidated Energy Finance S.A. (CEF). The consolidation of MHTL was accounted for as a business combination achieved in stages using the acquisition method of accounting as follows:

5.1 The Group elected to measure the 43.47% interest in MHTL previously held by CEL at fair value at the acquisition date and the resulting gain of $268.9 million is included in other income in CEL's consolidated statement of comprehensive income for the year ended 31 December 2014. The net impact of the re-measurement of the previously held interest in MHTL in these consolidated financial statements of the Group amounted to $189.74 million.

The fair value of the previously held equity interest was determined based on the fair value of the purchase price of the remaining 56.53% of $1,175 million as set by the ICC Tribunal. The purchase price, which represented a third party valuation, implied MHTL's total equity value at $2,078 million.

(Expressed in United States Dollars)

5 Business combination (continued)

Acquisition of Methanol Holdings (Trinidad) Limited (continued)

5.2 The fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition disclosed in 2014 consolidated audited financial statements of CEL were provisional. Due to the complexity of the acquisition and as the acquisition was in close proximity to the period end, the assessment of the fair values of all the assets and liabilities had not been completed by the dates when the 2014 financial statements of CEL were approved for issue by management.

The assessment of fair values was completed in the period ended 30 September 2015 as follows:

	Final fair value $'000	**Provisional fair value $'000**
Property, plant and equipment (Note 6)	2,187,344	2,304,560
Pension asset (Note 10)	12,364	12,364
Deferred tax assets (Note 11)	138,456	157,200
Intangible asset (Note 7)	79,101	121,451
Total non-current assets	2,417,265	2,595,575
Inventories	164,109	167,247
Trade and other receivables	432,630	432,630
Taxation recoverable	5,081	5,081
Cash and cash equivalents	325,095	325,095
Total current assets	926,915	930,053
Total identifiable assets acquired	3,344,180	3,525,628
Borrowings	479,489	503,541
Deferred tax liability	460,400	443,146
Asset retirement obligation (Note 17)	232,167	232,167
Other liabilities (Note 18)	181,374	290,997
Total non-current liabilities	1,353,430	1,469,851
Borrowings	221,898	222,562
Trade and other payables	142,573	142,573
Taxation payable	11,890	11,890
Other liabilities (Note 18)	113,850	132,837
Total current liabilities	490,211	509,862
Total identifiable liabilities assumed	**1,843,641**	**1,979,713**
Net identifiable assets acquired	**1,500,539**	**1,545,915**

(Expressed in United States Dollars)

5 Business combination (continued)

Acquisition of Methanol Holdings (Trinidad) Limited (continued)

5.3 The fair value of the trade and other receivables amounted to $432.63 million. The gross amount of trade and other receivables was also $432.63 million. None of the trade and other receivables has been impaired and the full contractual amounts were collected.

The 2014 comparative information was revised to reflect the adjustments to the provisional amounts. There was also a corresponding increase in goodwill of $45.4 million, resulting in a total goodwill of $578 million, as shown in Note 5.3(d).

The impact of the adjustments to provisional amounts on the consolidated financial statements of CEL for the year ended 31 December 2014 is summarised below.

a) Effect on consolidated Statement of Financial Position ($'000)

	Balance previously reported as at 31 Dec 2014	**Adjustment to previously reported fair value**	**Increase/ (decrease) in total comprehensive income**	**Restated balance as at 31 Dec 2014**
Property, plant and equipment	2,258,480	(117,216)	659	2,141,923
Inventories	138,861	(3,138)	3,138	138,861
Intangible assets (Excl. goodwill)	116,390	(42,350)	1,765	75,805
Deferred tax asset	175,806	(42,166)	2,125	135,765
Other liabilities	(373,761)	128,610	(8,779)	(253,930)
Borrowings	(1,808,006)	24,716	(510)	(1,783,800)
Deferred tax liability	(454,446)	6,168	(5,859)	(454,137)
		(45,376)	**(7,461)**	

b) Effect on consolidated Statement of Comprehensive Income ($'000)

	Year ended 31 December 2014
Cost of sales	(3,217)
Finance cost	(510)
Taxation	(3,734)
Decrease in total comprehensive income for the year	**(7,461)**

(Expressed in United States Dollars)

5 Business combination (continued)

Acquisition of Methanol Holdings (Trinidad) Limited (continued)

5.3 (continued)

c) Effect on consolidated Statement of Changes in Equity ($'000)

	Balance previously reported as at 31 Dec 2014	Effect of adjustment on Statement of Comprehensive Income as at 31 Dec 2014	Restated balance as at 31 Dec 2014
Share capital	219,741	–	219,741
Retained earnings	907,412	(7,461)	899,951
Total	1,127,153	(7,461)	1,119,692

d) Goodwill as at the acquisition date was determined at the end of the measurement period as follows:

	Final $'000	Provisional $'000
Consideration paid for the acquisition of the additional 56.53% interest	1,175,000	1,175,000
Fair value of the previously held interest (43.47%)	903,542	903,542
Fair value of net identifiable assets acquired	(1,500,539)	(1,545,915)
Goodwill	**578,003**	**532,627**

The goodwill is primarily attributable to the significant synergies expected to be achieved from integrating MHTL into the Group. The goodwill recognised is non-deductible for tax purposes.

5.4 The consideration paid excluded acquisition related costs of $5.8 million. These costs were charged to general and administrative expenses in the Group's statement of comprehensive income for the year ended 31 December 2014. The net cash outflow on acquisition was as follows:

	At the acquisition date $'000
Cash paid	(1,175,000)
Cash and cash equivalents acquired	325,095
Net cash outflow on acquisition	**(849,905)**

There is no contingent consideration in respect of the acquisition.

(Expressed in United States Dollars)

6 Property, plant and equipment

Year ended 31 December 2015	Opening net book amount $'000	Additions $'000	Adjustments $'000	Depreciation and amortisation $'000	Closing net book amount $'000
Leasehold land and buildings	1,384	–	–	(159)	1,225
Plant and machinery	2,136,920	46,831	(1,343)	(179,177)	2,003,231
Furniture and equipment	3,619	759	–	(866)	3,512
	2,141,923	**47,590**	**(1,343)**	**(180,202)**	**2,007,968**

At 31 December 2015	Cost $'000	Accumulated depreciation $'000	Net book amount $'000
Leasehold land and buildings	1,406	(181)	1,225
Plant and machinery	2,233,127	(229,896)	2,003,231
Furniture and equipment	4,588	(1,076)	3,512
	2,239,121	(231,153)	2,007,968

Unaudited year ended 31 December 2014	Opening net book amount $'000	Acquisition $'000	Additions $'000	Adjustments $'000	Depreciation and amortisation $'000	Closing net book amount $'000
Leasehold land and buildings	–	1,406	–	–	(22)	1,384
Plant and machinery	–	2,180,901	12,426	(5,688)	(50,719)	2,136,920
Work in progress	–	1,320	–	(1,320)	–	–
Furniture and equipment	–	3,717	112	–	(210)	3,619
	–	**2,187,344**	**12,538**	**(7,008)**	**(50,951)**	**2,141,923**

Unaudited at 31 December 2014	Cost $'000	Accumulated depreciation $'000	Net book amount $'000
Leasehold land and buildings	1,406	(22)	1,384
Plant and machinery	2,187,639	(50,719)	2,136,920
Furniture and equipment	3,829	(210)	3,619
	2,192,874	**(50,951)**	**2,141,923**

During the year one of the Group's Plants which is part of an integrated complex remained off-line (temporary idled) as a result of raw material supply limitations. As at 31 December 2015, the carrying value of this asset was $156 million (2014: $166 million).

(Expressed in United States Dollars)

7 Intangible assets

	Goodwill $'000	Contract-related $'000	Total $'000
Cost			
At 1 January 2014	–	–	–
Acquisition of subsidiary (Note 5)	578,003	79,101	657,104
At 31 December 2014 (Unaudited)	**578,003**	**79,101**	**657,104**
At 31 December 2015	**578,003**	**79,101**	**657,104**
Amortisation and impairment			
At 1 January 2014	–	–	–
Amortisation	–	3,296	3,296
At 31 December 2014 (Unaudited)	**–**	**3,296**	**3,296**
Amortisation	–	13,183	13,183
Impairment (Note 8)	63,431	–	63,431
At 31 December 2015	**63,431**	**16,479**	**79,910**
Net book value			
At 31 December 2015	**514,572**	**62,622**	**577,194**
At 31 December 2014 (Unaudited)	**578,003**	**75,805**	**653,808**

The contract-related intangible assets resulted from the business combination as described in Note 5. This intangible asset relates to favourable terms of a raw material supply contract of the subsidiary, Methanol Holdings (Trinidad) Limited, relative to market conditions at the acquisition date. This intangible asset is being amortised over the remaining period of the contract, which is six years.

The amount amortised for the year ended 31 December 2015 of $13.18 million (2014: $3.29 million) is included in cost of sales.

(Expressed in United States Dollars)

8 Impairment testing of goodwill

Goodwill acquired on the acquisition of Group's subsidiary, Methanol Holdings (Trinidad) Limited is allocated to two cash generating units (CGU) - Methanol Division and AUM Division. These are also the operating units for impairment testing.

Carrying amount of goodwill allocated to each of the CGUs:

	2015 $'000	Unaudited 2014 $'000
Methanol Division	401,682	401,682
AUM Division	112,890	176,321
Total Goodwill	**514,572**	**578,003**

The Group performed its annual impairment test in December 2015 and considers several factors when reviewing for indicators of impairment. In 2015, these factors included the significant decline in prices in the petro-chemical industry coupled with natural gas curtailments in Trinidad where the CGUs' are located. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

Methanol Division

The recoverable amount of the Methanol CGU, $3.1 billion as at 31 December 2015, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a ten-year period. This period is used in line with management's annual, 10 year forecasting timeline. Gas contracts for the methanol plants are set on a plant level. Management prepares budgets with this timeline in mind given the turnaround cycles of each plant are 4-5 years and it is deemed appropriate that at least two cycles ahead should be planned for, both financially and operationally. The pre-tax discount rate applied to cash flow projections is 16.7% and cash flows beyond the ten-year period are extrapolated using a 2.5% growth rate which is within the range of the long term forecasts for the industry in which the CGU operates. It was concluded that the fair value less costs of disposal exceeded the value in use. As a result of the analysis, management did not identify an impairment for this CGU.

AUM Division

The recoverable amount of the AUM CGU, $1.3 billion as at 31 December 2015, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a twelve-year period. This period is used in line with management's annual, 12 year forecasting timeline. This is to reflect the operational performance of the plants during the period of the current gas contract with the National Gas Company of Trinidad and Tobago. In addition, Management prepares budgets with this timeline in mind given the turnaround cycles of each plant are 4-5 years and it is deemed appropriate that at least two cycles ahead should be planned for, both financially and operationally. The pre-tax discount rate applied to cash flow projections is 10.55 % and cash flows beyond the twelve-year period are extrapolated using a 2.5% growth rate which is within the range of the long term forecasts for the industry in which the CGU operates. It was concluded that the fair value less costs of disposal exceeded the value in use. As a result of this analysis, management has recognised an impairment charge of $63.4 million in the current year against goodwill with a carrying amount of $176.3 million as at 31 December 2015. The impairment charge is recorded within general and administrative expenses in the consolidated statement of comprehensive income.

(Expressed in United States Dollars)

8 Impairment testing of goodwill (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for both Methanol and AUM units is most sensitive to the following assumptions:

- Sales volume
- Production volume
- Sales price
- Discount rates
- Raw materials cost
- Capital expenditure
- Growth rates used to extrapolate cash flows beyond the forecast period.

Sales volume — Sale volume is equal to the forecasted production volume for each unit, given that the off takers are contracted to take the full production volume of the plants.

Production volume — Production volume is based on the plant maintaining a production rate consistent with past experience taking into consideration downtime for turnaround activities and normal day to day maintenance.

Sales prices — Sales prices for methanol, melamine, UAN and ammonia are determined based on external sources of information, adjusted where required, based on management's experience in the business and published prices.

Discount rates — Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating divisions and is derived from its weighted average cost of capital (WACC). The WACC takes into account both cost of debt and cost of equity. Specific industry risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A fall in the pre-tax discount rate to 10.2% in the AUM unit would result in no impairment. A rise in the pre-tax discount rate to 30.1% in the Methanol unit would result in impairment.

Raw materials — The major component of raw material is Natural Gas. The Natural Gas pricing is based on a formula included in the subsidiary's long term contract with its supplier. It has been assumed that gas supplies will continue into the long term given the current reserves coupled with the Group and Government current endeavours to sustain the gas supplies.

(Expressed in United States Dollars)

8 Impairment testing of goodwill (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions (continued)

Capital expenditure These costs are forecasted by the plants' operators, who based on past experience and continual monitoring of the facilities are able to determine the future capital needs of each unit.

Growth rate Rate is based on industry research. This rate is used to extrapolate cash flows beyond the forecast period. An increase to 3% in the long-term growth rate in the AUM unit would result in no impairment. For the Methanol unit, a 0% long-term growth rate would not result in an impairment.

9 Investment in associates

	2015 $'000	Unaudited 2014 $'000
The amounts recognised in the consolidated statement of financial position are as follows:		
Investment in associates	**464,847**	**485,766**
The amounts recognised in the consolidated statement of comprehensive income are as follows:		
Share of results of associates	**39,821**	**106,096**

Nature of investments in associates of the Group for 2015 and 2014:

The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the country of incorporation is also their principal place of business.

Name of entity	Country of incorporation	Measurement method	% of ownership interest
Methanol Holdings (International) Limited	St. Kitts and Nevis	Equity	43.47%
Caribbean Nitrogen Company Limited	Trinidad and Tobago	Equity	30.00%
Nitrogen (2000) Unlimited	Trinidad and Tobago	Equity	30.00%
Methanol Holdings (Trinidad) Limited	Trinidad and Tobago	9.1	

9.1 Methanol Holdings (Trinidad) Limited was accounted for using the equity method until 30 September 2014 based on 43.47% ownership interest. Consolidated Energy Limited acquired the remaining 56.53% interest in Methanol Holdings (Trinidad) Limited, making it a wholly-owned subsidiary from 1 October 2014 (Note 5).

(Expressed in United States Dollars)

9 Investment in associates (continued)

Summarised financial information for associates

Set out below are the summarised financial information for Methanol Holdings (International) Limited (MHIL), Caribbean Nitrogen Company Limited (CNC) and Nitrogen (2000) Unlimited (N2000) and Methanol Holdings (Trinidad) Limited (up to 30 September 2014 only) which are accounted for using the equity method:

Summarised statement of financial position

	MHIL (consol)* As at 31 December		CNC As at 31 December		N2000 As at 31 December		Total As at 31 December	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Current assets	137,805	171,621	61,396	64,294	49,157	64,784	248,358	300,699
Non-current assets	291,117	326,236	128,202	161,181	210,411	230,099	629,730	717,516
Total assets	**428,922**	**497,857**	**189,598**	**225,475**	**259,568**	**294,883**	**878,088**	**1,018,215**
Current liabilities	84,385	78,687	10,197	24,890	33,846	42,634	128,428	146,211
Non-current liabilities	95,116	134,298	33,697	37,340	108,299	113,625	237,112	285,263
Total liabilities	**179,501**	**212,985**	**43,894**	**62,230**	**142,145**	**156,259**	**365,540**	**431,474**
Net assets	**249,421**	**284,872**	**145,704**	**163,245**	**117,423**	**138,624**	**512,548**	**586,741**

* *Methanol Holdings (International) Limited is an investment holding company with a 60% interest in Oman Methanol Company LLC. CEL holds a 43.47% interest in Methanol Holdings (International) Limited. As a result of this ownership structure, CEL holds a 26.08% effective interest in Oman Methanol Company LLC.*

(Expressed in United States Dollars)

9 Investment in associates (continued)

Summarised statement of comprehensive income

	MHIL (consol)*		CNC		N2000		MHTL		Total	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December	As at 30 September	As at 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	299,831	302,905	197,988	243,332	237,697	188,087	–	1,204,166	735,516	1,938,490
Profit before taxation	74,372	89,024	53,653	69,439	66,942	51,022	–	179,039	194,967	388,524
Profit after taxation/total comprehensive income	64,549	77,733	34,084	44,169	42,699	36,954	–	141,524	141,332	300,380
Profit attributable to parent	38,615	46,558	34,084	44,169	42,699	36,954	–	141,524	115,398	269,205
Group's share of results	**16,786**	**20,239**	**10,225**	**13,251**	**12,810**	**11,086**	**–**	**61,520**	**39,821**	**106,096**

* *Methanol Holdings (International) Limited is an investment holding company with a 60% interest in Oman Methanol Company LLC. CEL holds a 43.47% interest in Methanol Holdings (International) Limited. As a result of this ownership structure, CEL holds a 26.08% effective interest in Oman Methanol Company LLC.*

(Expressed in United States Dollars)

9 Investment in associates (continued)

Reconciliation of carrying amount of investment in associates:

	MHIL (consol)*		CNC		N2000		MHTL		Total	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December	As at 30 September	As at 31 December	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Opening net assets **	748,508	769,975	341,597	370,928	351,528	362,949	–	1,500,528	1,441,633	3,004,380
Profit after taxation	64,549	77,733	34,084	44,169	42,699	36,954	–	141,524	141,332	300,380
Less: Dividends	(100,000)	(99,200)	(51,625)	(73,500)	(63,900)	(48,375)	–	–	(215,525)	(221,075)
Less: Derecognition of investment in associate	–	–	–	–	–	–	–	(1,642,052)	–	(1,642,052)
Net assets	713,057	748,508	324,056	341,597	330,327	351,528	–	–	1,367,440	1,441,633
Less: Non-controlling interest	(96,032)	(110,098)	–	–	–	–	–	–	(96,032)	(110,098)
Other differences	351	351	531	531	–	–	–	–	882	882
	617,376	638,761	324,587	342,128	330,327	351,528	–	–	1,272,290	1,332,417
Group's carrying amount of investment	**268,373**	**277,670**	**97,376**	**102,638**	**99,098**	**105,458**	**–**	**–**	**464,847**	**485,766**

* *Methanol Holdings (International) Limited is an investment holding company with a 60% interest in Oman Methanol Company LLC. CEL holds a 43.47% interest in Methanol Holdings (International) Limited. As a result of this ownership structure, CEL holds a 26.08% effective interest in Oman Methanol Company LLC.*

** *This includes fair value adjustments made at the relevant times of acquisition.*

(Expressed in United States Dollars)

10 Pension asset

	2015 $'000	Unaudited 2014 $'000
Net asset in statement of financial position:		
Present value of defined benefit obligation	14,334	14,430
Fair value of assets	(31,266)	(32,598)
Surplus	(16,932)	(18,168)
Effect of asset ceiling	5,079	5,450
Net defined benefit asset	**(11,853)**	**(12,718)**
Movement in present value of defined benefit obligation:		
Defined benefit obligation at start of year	14,430	–
Acquisition of subsidiary	–	14,416
Amortisation of fair value adjustment	–	(43)
Interest cost	701	707
Re-measurements - Experience adjustments	(71)	(107)
Exchange difference	(119)	64
Benefits and expenses paid	(607)	(607)
Defined benefit obligation at end of the year	**14,334**	**14,430**

The defined benefit obligation is allocated between the Plan's members as follows:

- Deferred members	25%	25%
- Pensioners	66%	66%
- Expense reserve	9%	9%

The weighted average duration of the defined benefit obligation at year-end	12.9 years	14.5 years

Movement in fair value of plan assets:		
Fair value of plan assets at start of year	32,598	–
Acquisition of subsidiary	–	32,488
Amortisation of fair value adjustment	–	(331)
Interest income	1,601	1,277
Return on plan assets, excluding interest income	(2,058)	(373)
Exchange difference	(268)	144
Benefits and expenses paid	(607)	(607)
End of the year	**31,266**	**32,598**
Actual return on plan assets	**(457)**	**904**

(Expressed in United States Dollars)

10 Pension asset (continued)

	2015 $'000	Unaudited 2014 $'000
Asset allocation		
Locally listed equities	1,054	89
Overseas equities	2,503	2,904
Government issued nominal bonds	11,389	8,570
Corporate bonds	10,413	8,521
Cash and cash equivalents	5,907	12,514
	31,266	**32,598**

All investment values as at 31 December 2015 were provided by the Plan's Investment Manager and Trustee (Republic Bank Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve. All of the Plan's government bonds were issued by the Government of Trinidad and Tobago, which also guarantees many of the corporate bonds held by the Plan.

The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

	2015 $'000	Unaudited 2014 $'000
Income recognised in consolidated statement of comprehensive income		
Net interest on net defined benefit asset	(631)	(570)
Re-measurements recognised in other comprehensive income		
Experience gains/losses	1,987	266
Effect of asset ceiling	(596)	(1,013)
	1,391	**(747)**
Reconciliation of opening and closing consolidated statement of financial position entries		
Defined benefit asset at prior year end	(12,718)	–
Acquisition of subsidiary (Note 5)	–	(12,364)
Amortisation of fair value adjustment	–	1,061
Net pension credit	(631)	(570)
Re-measurements recognised in other comprehensive income	1,391	(747)
Exchange difference	105	(98)
	(11,853)	**(12,718)**

(Expressed in United States Dollars)

10 Pension asset (continued)

Summary of principal assumptions as at 31 December	2015 $'000	Unaudited 2014 $'000
Discount rate	5.00%	5.00%
Future pension increases	3.00%	3.00%

At both statement of financial position dates assumptions regarding future mortality are based on Standard PMA/PFA80 (male and female's 80 series pensioner tables) actuarial tables with projected improvements to 2010 for current retirees and to 2020 for future retirees. The life expectancies underlying the value of the defined benefit as at 31 December 2015 are as follows:

	2015	Unaudited 2014
Life expectancy at age 60 for current pensioner in years		
- Male	21.0	21.0
- Female	25.1	25.1
Life expectancy at age 60 for current members age 40 in years		
- Male	21.4	21.4
- Female	25.4	25.4

Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 31 December 2015 would have changed as a result of a 1% change in the assumptions used.

	Increase $'000	Decrease $'000
Discount rate	(1,584)	1,961

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2015 by $0.3 million.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

Funding

The Group's subsidiary, MHTL, meets the balance of the cost of funding the defined benefit Pension Plan and MHTL must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every three years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. As there are no remaining contributing Plan members and the Plan is in surplus MHTL does not expect to pay any contributions to the Pension Plan during 2016.

(Expressed in United States Dollars)

11 Deferred taxation

The movement in deferred tax assets during the year is as follows:

	Fair value adjustments $'000	Tax losses $'000	Other provisions $'000	Total $'000
At 1 January 2014	–	–	–	–
Acquisition of subsidiary	86,251	23,422	28,783	138,456
(Charge)/credit to profit or loss	(8,759)	5,800	268	(2,691)
At 31 December 2014 (Unaudited)	77,492	29,222	29,051	135,765
(Charge)/credit to profit or loss	(19,863)	11,091	6,281	(2,491)
At 31 December 2015	**57,629**	**40,313**	**35,332**	**133,274**

The movement in deferred tax liabilities during the year is as follows:

	Fair value adjustments $'000	Accelerated depreciation $'000	Pension asset $'000	Other $'000	Total $'000
At 1 January 2014	–	–	–	–	–
Acquisition of subsidiary	36,759	419,314	4,327	–	460,400
Charge/(credit) to					
- profit or loss	(4,426)	(1,961)	(137)	–	(6,524)
- other comprehensive income	–	–	261	–	261
At 31 December 2014 (Unaudited)	32,333	417,353	4,451	–	454,137
Charge/(credit) to:					
- profit or loss	(10,415)	(9,904)	184	607	(19,528)
- other comprehensive income	–	–	(487)	–	(487)
At 31 December 2015	**21,918**	**407,449**	**4,148**	**607**	**434,122**

A valuation allowance of $29.96 million (2014: $28.96 million) has been recorded in relation to the net deferred tax asset on the decommissioning asset and asset retirement obligation of MHTL's M5000 and AUM plants. At the time of dismantlement of these plants, it is expected that the MHTL will not have future taxable profits against which to utilise the deferred tax asset.

(Expressed in United States Dollars)

12 Inventories

	2015 $'000	Unaudited 2014 $'000
Consumable items and spare parts	102,224	103,617
Less: provision for obsolescence	(6,840)	(8,224)
	95,384	95,393
Manufactured product	29,716	43,468
	125,100	**138,861**

Included in year-end inventories is an amount of $0.56 million (2014: $1.32 million) in relation to manufactured melamine inventory which has been written down to net realisable value. In addition arising from an inventory rationalization and restructuring exercise during the year the Group took a write down of its inventory totalling $11.5 million which is included within cost of sales.

13 Trade and other receivables

	2015 $'000	Unaudited 2014 $'000
Trade receivables	296,822	331,757
Less: provision for price adjustments	(26,903)	(4,604)
Net trade receivables	269,919	327,153
Loan to related party (Note 24 d))	111,215	–
Other receivables	42,781	35,439
Prepaid expenses	30,209	35,024
	454,124	**397,616**

The following related party balances are included above:

	2015 $'000	Unaudited 2014 $'000
Trade receivables (net of provisions) – (Note 24 c))	269,075	324,270
Loan to related party	111,215	–
Other receivables	42	30
	380,332	**324,300**

Further information relating to related party balances is set out in Note 24.

(Expressed in United States Dollars)

13 Trade and other receivables (continued)

13.1 Trade receivables

As at 31 December 2015 and 2014, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			<45 days	45 – 90 days	>90 days
	$'000	$'000	$'000	$'000	$'000
2015	296,822	223,340	54,399	6,311	12,772
2014	331,757	239,654	72,521	10,016	9,566

Trade receivables are non-interest bearing and are generally on terms of 45 to 80 days.

13.2 The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

14 Cash and cash equivalents

	2015	Unaudited 2014
	$'000	$'000
Cash at bank	158,420	224,754
Short-term bank deposits	59,592	126,092
	218,012	350,846
Less: provision for impairment of short-term bank deposit	(4,092)	(4,092)
	213,920	**346,754**

Included in short-term bank deposits is an amount of approximately $4.09 million which is held with Clico Investment Bank Limited (CIB) and for which an impairment provision has been established as shown above. The amount originated in 2008 and comprises investment note certificates (INCs), which matured in May 2009, but have not been received to date. In January 2009, CIB became controlled by the Central Bank of Trinidad and Tobago. The Central Bank has indicated that all third party assets and liabilities of CIB will be transferred to a state-owned financial institution. The directors have considered the facts and circumstances regarding this matter and have concluded that an impairment provision is required.

(Expressed in United States Dollars)

15 Share capital

	2015 $'000	Unaudited 2014 $'000
Authorised: An unlimited number of ordinary shares of no par value.		
Issued and fully paid		
46,484,110 (2014: 46,484,110) ordinary shares of no par value	54,075	54,075

The common shares earn dividends. Holders of common shares have a right to share in the remaining property of the Company on dissolution and have voting rights at all meetings of the shareholders.

During the year the Company declared and paid a dividend of $0.40 million (2014: $23 million).

16 Borrowings

	2015 $'000	Unaudited 2014 $'000
Notes in issue		
Senior Fixed Rate Notes	1,050,000	1,050,000
Senior Floating Rate Notes	200,000	200,000
	1,250,000	1,250,000
Less: Discount on Senior Fixed Rate Notes	(8,295)	(10,124)
Issuance Costs	(38,465)	(46,778)
	1,203,240	1,193,098
Other borrowings		
M5000 Loan	**–**	**58,187**
AUM Loan	–	532,515
7 year secured term loan	288,550	–
Revolving credit facility	60,000	–
	348,550	590,702
Less: Transaction costs	(15,108)	–
	333,442	590,702
Total borrowings	**1,536,682**	**1,783,800**
Total borrowings	**1,536,682**	**1,783,800**
Less: current maturities	**(60,857)**	**(220,551)**
Non-current maturities	**1,475,825**	**1,563,249**
The maturity of non-current borrowings is as follows:		
Between 1 and 2 years	761	199,756
Between 2 and 5 years	1,204,909	1,363,493
Greater than 5 years	270,155	–
	1,475,825	**1,563,249**

(Expressed in United States Dollars)

16 Borrowings (continued)

Notes in issue

In order to finance the acquisition of the remaining 56.53% of the shares of MHTL by CEL, the Group's subsidiary, Consolidated Energy Finance S.A. (CEF), issued senior unsecured notes. The Notes issued by the subsidiary on 7 October 2014 are in the form of general unsecured bonds.

The Notes issued are quoted on the Luxembourg stock exchange and are currently rated "BB-" by Standard and Poor.

The Notes have a maturity period of 5 years until 15 October 2019 and have been issued in two tranches:

- Fixed Rate Notes

  A fixed yield tranche of $1,050 million carrying an interest rate of 6.75% per annum. Interest will accrue from the Issue Date and will be payable semi-annually in arrears on each 15 April and 15 October, commencing 15 April 2015.

- Floating Rate Notes

  A variable yield tranche of $200 million carrying a floating rate of interest equal to three month LIBOR plus 3.5% per annum. Interest will accrue from the Issue Date and will be payable quarterly in arrears on each 15 January, 15 April, 15 July and 15 October, commencing on 15 January 2015.

The nominal value of the Notes has been decreased by the discount of 1% ($10.5 million) granted on the nominal value of the fixed yield tranche and by the issuance costs of $48.51 million.

Redemption

- The Notes may be redeemed at any time prior to 15 October 2015 (Floating Rate Notes) and 15 October 2016 (Fixed Rate Notes), in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to (but excluding) the redemption date and a "make-whole" premium.

- The Notes may be redeemed on any one or more occasions on or after 15 October 2015 (Floating Rate Notes) and 15 October 2016 (Fixed Rate Notes), in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

- For the Floating Rate Notes, during the period from the Issue Date to 15 October 2015, CEF may redeem up to 10% (Floating Rate Note) of the aggregate principal amount of the Notes issued at a redemption price equal to 103.000% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

- For the Fixed Rate Notes, during the period from the Issue Date to 15 October 2016, CEF may redeem up to 35% of the aggregate principal amount of the Notes issued at a redemption price equal to 106.750% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date with the net cash proceeds of certain equity offerings.

- Additionally, the Notes may be redeemed upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

(Expressed in United States Dollars)

16 Borrowings (continued)

Notes in issue (continued)

Repurchase at the Option of Holders

- Upon the occurrence of certain change of control triggering events, CEF may be required to offer to purchase the Notes from holders at a redemption price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

- If the Group sells certain of its assets, CEF will be required to offer to purchase Notes from holders at the purchase price set forth in the indenture.

Guarantees

The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor, CEL, and the Parent Guarantor's existing subsidiaries (other than the CEF, but including, without limitation, FS Petrochemicals (St. Kitts) Limited and MHTL) subsequently acquired or organized direct and indirect subsidiaries (other than the CEF), subject to certain exceptions (together with FS Petrochemicals (St. Kitts) Limited and, after giving effect to the Acquisition, MHTL, the "Subsidiary Guarantors" and, together with CEL, the "Guarantors").

The payment of the principal of, premium, if any, and interest on the Notes and the obligations of the Guarantors under the Guarantees will:

- be effectively subordinated in right of payment to any existing and future secured indebtedness of the CEF and the Guarantors, including the KfW Loans, to the extent of the value of the assets securing such indebtedness;

- be pari passu in right of payment with all existing and future indebtedness of CEF and the Guarantors that is not subordinated in right of payment to the Notes and the Guarantees;

- rank senior in right of payment to all existing and future indebtedness of CEF and the Guarantors that is subordinated in right of payment to the Notes and the Guarantees; and

- be structurally subordinated to all indebtedness, claims of holders of preferred stock and other liabilities of the Parent Guarantor's future subsidiaries that are not Guarantors

Other borrowings

On 30 June 2015, MHTL executed two loan agreements with JPMorgan Chase Bank for the maximum principal amount of $590 million. These loans were used to repay the outstanding balance as at 30 June 2015 on the previously held M5000 and AUM loans with KfW. A breakage fee of $9.28 million was incurred in respect of the KfW loans. This amount is presented in the consolidated statement of comprehensive income within net finance costs.

The new credit agreements include:

- An *Initial term loan* in the aggregate principal amount of $290 million for a period of 7 years, payable in quarterly installments equal to 0.25% of the aggregate principal amount of the initial term loan outstanding on the closing date (as such repayment amount shall be reduced as a result of the application of any prepayments) commencing on 30 September 2015, with a final payment at maturity equal to the outstanding principal amount at that date.

(Expressed in United States Dollars)

16 Borrowings (continued)

Other borrowings (continued)

Interest is charged at a Eurocurrency rate plus a margin in the case of any Eurocurrency loan denominated in dollars or a Base Rate plus a margin for Base Rate Loans. The Eurocurrency rate is determined to be the rate per annum equal to LIBOR for deposits in dollars. The Base Rate means, for any day, a fluctuating rate per annum equal to the highest of:

a) The Federal Funds Rate plus ½ of 1%

b) The prime rate per annum as publically announced by the Administrative Agent

c) The Adjusted Eurocurrency rate on such day for an interest period of 1 month plus 1%, and

d) 1.75% provided that if the base rate shall be less than zero, such rate shall be deemed zero.

The margin ranges from 2.25% - 3.5% and is dependent on MHTL's leverage ratio. The applicable rate of interest in relation to the term loan as at 31 December 2015 is 4.25%.

- A Revolving credit facility in the aggregate principal amount of $300 million for an initial term of 5 years.

  Interest is also payable quarterly and charged at a base rate plus a margin. The margin ranges from 1.50 - 2.75% and is dependant on MHTL's leverage ratio. The applicable rate of interest in relation to the revolving credit facility as at 31 December 2015 is 2.996%. Additionally, a commitment fee of 0.375 - 0.5% per annum is charged on the undrawn balance.

On 30 June 2015, MHTL exercised its right to repay $150 million under the revolving credit loan. The remaining balance of $150 million was repaid on 18 August 2015. On 30 October 2015, MHTL drew down $60 million under the revolving credit loan facility.

The 7-year term loan and revolving facility are secured by a first priority mortgage and charge for the benefit of JPMorgan Chase Bank over MHTL's fixed and floating assets pursuant to the 2015 amended and restated deed of Mortgage debenture. MHTL is required to maintain $100 million in Liquidity. Liquidity is defined as the sum of the unutilized revolving credit facility and cash and cash equivalents.

17 Asset retirement obligation

	2015 $'000	Unaudited 2014 $'000
Decommissioning costs provision:		
Beginning of the year	226,469	–
Acquisition of subsidiary (Note 5)	–	232,167
Unwinding of discount (Note 22)	4,348	1,309
Dismantlement asset	2,805	(7,007)
At end of the year	**233,622**	**226,469**

(Expressed in United States Dollars)

17 Asset retirement obligation (continued)

The Group's subsidiary, Methanol Holdings (Trinidad) Limited operates eight petrochemical plants with varying useful lives. In accordance with IAS 37, provisions are recognised for the present value of costs to be incurred in the future for the decommissioning of these plants.

18 Other liabilities

	Total
Cost	**$'000**
At 1 January 2014	–
Acquisition of subsidiary (Note 5)	295,224
At 31 December 2014 (Unaudited)	**295,224**
At 31 December 2015	**295,224**

	Total $'000
Amortisation and impairment	
At 1 January 2014	–
Amortisation	41,294
At 31 December 2014 (Unaudited)	**41,294**
Amortisation	89,276
At 31 December 2015	**130,570**
Net book value	
At 31 December 2015	**164,654**
At 31 December 2014 (Unaudited)	**253,930**

	2015 $'000	Unaudited 2014 $'000
Disclosed as follows:		
Current portion	–	75,900
Non-current portion	164,654	178,030
	164,654	**253,930**

Other liabilities are contract related were acquired through the business combination (Note 5).

These arise from unfavourable terms of charter hire contracts for marine vessels and one of the sales contracts of the subsidiary, Methanol Holdings (Trinidad) Limited compared to market conditions at the acquisition date.

(Expressed in United States Dollars)

18 Other liabilities (continued)

The intangible liability on the charter hire contracts is being amortised on a straight line basis over the remaining life of each of the vessel contracts. The intangible liability on the sales contract was fully amortised over the remaining life of the contract which ended in June 2015.

The amount amortised for the year ended 31 December 2015 of $89.28 million (2014: $41.29 million) is included in cost of sales.

19 Trade and other payables

	2015 $'000	Unaudited 2014 $'000
Trade payables	3,417	3,525
Due to related parties (Note 24 c))	9,884	4,140
Interest payable	16,709	19,014
Accruals and other payables	120,633	130,526
	150,643	**157,205**

20 Expenses by nature

	2015 $'000	Unaudited 2014 $'000
Raw materials and consumables used	632,169	204,245
Selling expenses (Note 20.1)	192,202	54,328
Depreciation and amortisation of property plant and equipment (Note 6)	180,202	50,951
Impairment of goodwill (Note 8)	63,431	–
Sub-contracted labour costs	50,937	14,174
Repairs and maintenance	49,107	9,741
Changes in inventories	13,752	6,512
Salaries	2,225	1,027
Land rent	2,177	553
Amortisation of fair value adjustments on acquisition of subsidiary excluding property plant and equipment	(76,093)	(12,321)
Other	26,098	20,814
Total cost of sales, general and administrative and marketing expenses	**1,136,207**	**350,024**
Cost of sales	1,064,135	335,111
General and administrative expenses	71,330	14,536
Marketing expenses	742	377
Total cost of sales, general and administrative and marketing expenses	**1,136,207**	**350,024**

(Expressed in United States Dollars)

20 Expenses by nature (continued)

20.1 Selling expenses

	2015 $'000	Unaudited 2014 $'000
Charter hire	78,794	20,378
Bunker fuel	28,496	10,906
Storage	26,643	8,066
Freight	23,224	4,483
Port charges	21,168	5,751
Dock rent	8,313	1,932
Surveyor	3,989	1,172
Other expenses	1,575	1,640
	192,202	**54,328**

21 Other income

Gain on re-measurement to fair value of the previously held interest in MHTL on acquisition (Note 5)	–	189,742
Insurance settlement	2,057	729
Other	12,848	4,904
	14,905	**195,375**

22 Net finance costs

	2015 $'000	Unaudited 2014 $'000
Interest on notes in issue	88,681	20,611
Amortisation of fair value adjustments on acquisition	22,220	(6,425)
Interest on bank borrowings	16,441	3,926
Breakage costs	9,277	–
Unwinding of discount (Note 17)	4,348	1,309
Net foreign exchange loss	3,739	5,966
Other finance costs	695	999
Finance costs	**145,401**	**26,386**
Interest income	(1,763)	(126)
Finance income	**(1,763)**	**(126)**
Net finance costs	**143,638**	**26,260**

(Expressed in United States Dollars)

23 Taxation

	2015 $'000	Unaudited 2014 $'000
Corporation tax and green fund levy	60,162	6,670
Deferred taxation credit (Note 11)	(17,037)	(3,833)
Net taxation charge	**43,125**	**2,837**

Reconciliation of tax expense and accounting profit multiplied by the Company's domestic tax rate for 2015 and 2014.

	2015 $'000	Unaudited 2014 $'000
Profit before taxation	**69,083**	**283,781**
Tax at domestic rate of 2.5%	1,727	7,094
Effect of different tax rates in countries in which the Group operates	51,786	3,579
Non-taxable items and effect of tax incentives order	(20,904)	(11,861)
Expenses not allowable for tax	5,728	38
Other permanent differences	2,263	2,825
Green fund levy	1,184	244
Chargeable income not taxable	–	716
Other differences	1,341	202
Net taxation charge	**43,125**	**2,837**

Tax losses

OPAG (Barbados) Limited and its subsidiary, Consolidated Energy Limited, have tax losses which are available for set off in the future against otherwise taxable income for corporation tax purposes amounted to $127.2 million (2014 - $36.8 million). A deferred tax asset as at 31 December 2015 of $3.18 million (2014 - $0.92 million) resulting from unused tax losses has not been recognised through the deferred tax account due to the uncertainty of its future recovery.

The losses and their expiry dates are as follows:

Year of income	Amount brought forward $'000	Incurred $'000	Amount carried forward $'000	Expiry date
2011	1,701	–	1,701	2020
2012	4,108	–	4,108	2021
2013	3,342	–	3,342	2022
2014	27,684	–	27,684	2023
2015	–	90,400	90,400	2024
	36,835	**90,400**	**127,235**	

(Expressed in United States Dollars)

24 Related party transactions

The following transactions were carried out with related parties:

	2015 $'000	Unaudited 2014 $'000
a) Sales of goods and services		
CPC Caribbean Petrochemical Company Limited	864,138	252,210
Helm AG	391,757	101,231
Helm Asia Pte	17,329	–
Nitrogen (2000) Unlimited	17,680	4,517
Process Energy (Trinidad) Limited	25	7
	1,290,929	**357,965**
b) Purchases of goods and services		
CPC Caribbean Petrochemical Company Limited	27,802	11,632
Nitrogen (2000) Unlimited	3,954	1,588
Caribbean Nitrogen Company Limited	11,095	850
Proman GmbH	14,233	281
Proman AG (Trinidad) Limited	18,456	3,783
Eurotecnica Contractors & Engineers SpA	1,022	–
Helm AG	10,494	1,822
Process Energy (Trinidad) Limited	61	30
Industrial Plant Services Limited	54,375	14,549
	141,492	**34,535**

c) Year-end balances arising from sales/purchases of goods/services

Included in the trade and other receivables (Note 13) are the following amounts due to related parties:

	2015 $'000	Unaudited 2014 $'000
CPC Caribbean Petrochemical Company Limited	202,264	263,524
Helm AG	49,482	60,746
Helm Asia Pte	17,329	–
	269,075	**324,270**

(Expressed in United States Dollars)

24 Related party transactions (continued)

c) *Year-end balances arising from sales/purchases of goods/services* (continued)

Included in the trade and other payables (Note 19) are the following amounts due to related parties:

	2015 $'000	Unaudited 2014 $'000
CPC Caribbean Petrochemical Company Limited	1,743	3,633
Nitrogen 2000 Unlimited	932	99
Caribbean Nitrogen Company Limited	229	142
Proman GmbH	717	156
Eurotecnica Contractors & Engineers SpA	3	73
Industrial Plant Services Limited	6,260	–
Process Energy (Trinidad) Limited	–	37
	9,884	**4,140**

d) *Year end balances arising from loans/advances to related parties*

		Interest receivable $'000	Amounts owed by related parties $'000
Loans to related parties:			
G2X Energy Inc.	2015	215	111,000
	2014	–	–
Advances to related parties:			
Methanol Holdings (International) Limited	2015	–	26
	2014	–	30

e) *Summary of related party relationships*

The following companies are related parties by virtue of common shareholders:

- Proman GmbH
- Southern Chemical Corporation (SCC)
- Nitrogen (2000) Unlimited
- Caribbean Nitrogen Company Limited
- Eurotecnica Contractors & Engineers S.p.A.
- **Helm AG and CPC Caribbean Petrochemical Company Limited**

The Group has supply contracts with Helm AG for the sale and distribution of Methanol, UAN and Melamine in the United States (US) and Europe. Helm AG has assigned to another related party, CPC Caribbean Petrochemical Company Limited (CPC), the sale and distribution of its US volumes. The Group has Take or Pay arrangements with its customers for its products which were all met during the year.

(Expressed in United States Dollars)

24 Related party transactions (continued)

e) Summary of related party relationships (continued)

- **Proman AG (Trinidad) Limited**

  Proman AG (Trinidad) Limited was the onshore EPC contractor for the AUM project and is a related party by virtue of common shareholders.

- **Industrial Plant Services Limited (IPSL)**

  The Group's subsidiary, MHTL, has entered into a contract with Industrial Plant Services Limited for the overall operation and maintenance of the AUM and Methanol plants. In accordance with the contract MHTL pays for the following services:

  - Direct costs, included but not limited to employee costs and benefits, contract labour costs, repair materials, tools and equipment, office and other supplies and services as agreed by both parties in the contract.

  - A quarterly fee based on production volumes at various rates along product lines.

- **Process Energy (Trinidad) Limited**

  This company rents office space from Methanol Holdings (Trinidad) Limited. This company also provides financial support services to Consolidated Energy Limited.

- **Methanol Holdings (International) Limited**

  This company is billed amounts for directors' fees and expenses from Consolidated Energy Limited.

- **G2X Energy Inc.**

  On 4 November 2015, a short term loan was granted by means of a demand promissory note to G2X Energy Inc. for the amount of $111 million.

  The loan matures on 2 May 2016 with possibility of earlier repayment at the request of the company. The loan bears an interest of 1.2% per annum.

(Expressed in United States Dollars)

25 Financial instruments by category

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

	2015 $'000	Unaudited 2014 $'000
Assets as per statement of financial position		
Current		
Trade and other receivables, excluding prepaid expenses (Note 13)	423,915	362,592
Cash and cash equivalents (Note 14)	213,920	346,754
	637,835	709,346
Liabilities as per statement of financial position		
Non-current		
Borrowings (Note 16)	1,475,825	1,563,249
Current		
Borrowings (Note 16)	60,857	220,551
Trade and other payables (Note 19)	150,643	157,205
	211,500	377,756
Total liabilities	1,687,325	1,941,005

25.1 Credit quality of financial assets

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about the counterparty default rates:

	2015 $'000	Unaudited 2014 $'000
Trade receivables		
Counterparties without external credit rating:		
Existing customers (more than 6 months) with no defaults in the past	269,919	327,153

(Expressed in United States Dollars)

25 Financial instruments by category (continued)

25.1 Credit quality of financial assets (continued)

Loan to related party	2015 $'000	Unaudited 2014 $'000
G2X Energy Inc. (Note 24 d))	111,215	–

This amount is related to loan advanced to related party, G2X Energy Inc., which has the same ultimate parent.

26 Commitments and contingencies

a) Purchasing commitments

The Group's subsidiary and associates lease their manufacturing and administration sites, marine vessels and shipping facilities under lease arrangements for varying periods and have material lease commitments under the various lease agreements.

One of the Group's subsidiaries, Methanol Holdings (Trinidad) Limited has take or pay contracts for all its gas volumes for the plants and the minimum volumes were all taken during the year. As at the year end, there were no take or pay obligations.

One of the Group's associates, Oman Methanol Company LLC has material outstanding purchase commitments amounting to approximately $6.9 million (2014 - $22.7 million).

b) Borrowing commitments

Consolidated Energy Finance S.A., Methanol Holdings (Trinidad) Limited, Nitrogen (2000) Unlimited and Oman Methanol Company LLC have material obligations in respect of borrowings. All borrowings are secured by the entities' assets among other contracted terms, including specific covenants.

c) Operating lease commitments

The Group's subsidiary and associates lease its manufacturing and administration sites, methanol and marine vessels and shipping facilities under non-cancellable lease arrangements for varying periods. As at 31 December future minimum lease payments for the Group's subsidiary are as follows:

	2015 $'000	Unaudited 2014 $'000
Up to one year	89,494	88,655
Two to five years	363,820	361,468
Over five years	716,226	807,794
	1,169,540	**1,257,917**

(Expressed in United States Dollars)

26 Commitments and contingencies (continued)

d) Capital commitments

The Group's subsidiary and associates have the following capital commitments as at 31 December 2015:

- Methanol Holdings (Trinidad) Limited - $18 million (2014: $17 million)
- N2000 Unlimited - $1.0 million (2014: $11 million)
- Caribbean Nitrogen Company Limited - $3.5 million (2014: nil)

e) Sales commitments

The Group's subsidiary and associates have sales commitments for petrochemical products in accordance with contractual obligations.

f) Contingencies

- The Group's associates have contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from these contingencies.

- The taxation authorities have conducted corporation tax audits of the Group's subsidiary Methanol Holdings (Trinidad) Limited and its predecessor companies in respect of several years of income. These audits are at various stages ranging from responses to proposals for material adjustments by the tax authorities (Board of Inland Revenue - BIR), objections to assessments and appeals to the Tax Appeal Board.

  Arising from these audits, material adjustments were proposed, to which Methanol Holdings (Trinidad) Limited has responded. For some of the audits, assessments were issued to which objections were filed with the BIR, challenging the assessments. Some of the audits have reached the appeal stage and Methanol Holdings (Trinidad) Limited has filed Notices of Appeal with the Tax Appeal Board challenging the assessments raised.

  Methanol Holdings (Trinidad) Limited, based on independent professional advice, estimates it is not probable that material additional liabilities in respect of the audits described above are expected to crystallise. The Group concurs with this assumption and has not recorded any provision for this matter.

  With reference to the Board on Inland Revenue (BIR) assessments noted above, due to the erroneous nature of some of the items in the assessments, the number of legal entities, preamalgamation and the various fiscal incentives provided to the respective entities, it is not practicable to reasonably quantify the exposure at this time.

- The Board of Inland Revenue of Trinidad and Tobago (BIR) has conducted corporation tax audits of Caribbean Nitrogen Company Limited in respect of years of income 2006, 2007 and 2008. Assessments were raised by the BIR for amounts of $9.5 million (principal), against which the company objected after obtaining external professional advice. The subsidiary is of the view it is not probable that material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.

(Expressed in United States Dollars)

26 Commitments and contingencies (continued)

f) Contingencies (continued)

- The Board of Inland Revenue of Trinidad and Tobago (BIR) has conducted corporation tax audits of Nitrogen (2000) Unlimited in respect of the years of income 2007, 2008, 2009, 2010 and 2011. Assessments for 2007 and 2008 were raised by the BIR for amounts of approximately \$3.7 million (principal), against which the company objected after obtaining external professional advice. The subsidiary is of the view it is not probable that material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.

- The Group's associate, Oman Methanol Company LLC (OMC), was exempt from income tax for a period of five years from the date of commencement of commercial operations, in accordance with the exemption notification received from the Ministry of National Economy dated 11 November 2004. As per the letter dated 1 December 2013 received from Secretariat General for Taxation (SGT), the net income of OMC from its main activity shall be exempted from income tax under Income Tax law from 1 September 2007 to 31 August 2012. The management believes that the date of commencement of commercial operations of OMC was 7 December 2007 and hence the income was exempt from income tax from 7 December 2007 to 6 December 2012. OMC's management has filed an appeal to primary court in this regard. The management believes that pending the outcome of the appeal and company's intent to further appeal against any unfavorable outcome of the appeal, it is unlikely that any material tax liability would crystallize. Accordingly, no provision has been made in these consolidated financial statements on the profits earned from 1 September 2012 to 6 December 2012.

27 Anti-dumping matter

The subsidiary, Methanol Holdings (Trinidad) Limited, was subject to an anti-dumping and countervailing duty investigation by the US International Trade Commission (USITC) and the US Department of Commerce (Commerce) on the sale of melamine to the United States by its affiliate, Southern Chemical Corporation. This matter has been determined in the subsidiary's favour in December 2015 and the deadline for appeal by injured parties has expired.

28 Events after the reporting period

- In February and March 2016 additional amounts were loaned to G2X totaling \$8.9 million.

- On 8 March 2016, the plant operator (Industrial Plant Services Limited) for the Group's subsidiary, Methanol Holdings (Trinidad) Limited, and its associates, Caribbean Nitrogen Limited and N2000 Unlimited, served termination notices to 60 of its permanent employees as part of a re-structuring initiative of its operations. The financial impact to the Group is estimated at \$2.8 million and this liability will be recognised in 2016.

- On 13 March 2016, it was announced that Consolidated Energy Limited has entered into a binding agreement for a 50% stake in Natgasoline LLC in participation with OCI N.V. Consolidated Energy Limited will inject an initial \$630 million in equity from April 2016 until October 2017, and will also provide a shareholder loan of up to \$50 million to fund contingency payments.

(Expressed in United States Dollars)

28 Events after the reporting period (continued)

- In March 2016, 25 % of the Consolidated Energy Limited's shareholding held by MFH Holding GesmbH (MFH) was transferred to the Company in exchange for 25% shareholding in the Company. This made the Company 100% shareholder of the Consolidated Energy Limited. In April 2016, as part of the Group's reorganisation, Consolidated Energy Limited, Switzerland (CEL CH) became OPAG (Barbados) Limited's (OPAG) 100% shareholder. Proman Holding AG still remains the ultimate parent company.

- On 11 April 2016, as part of the Group's reorganisation and in accordance with Section 9.01 of its fixed rates notes indenture and floating rates note indenture, Consolidated Energy Finance S.A., Luxembourg amended the respective indentures to include OPAG, as well as its 100% parent CEL CH, as additional guarantors. The noteholders are not adversely affected and will have the benefit of the two additional guarantees.

- On 8 April 2016, the Group drew down the remaining $240 million principal amount under the revolving credit facility.

- The Company declared a dividends of $479.9 million on 22 April 2016 and $112 million on 20 July 2016.

- On 22 July 2016, the Group received $7.4 million as full and final settlement on the insurance claim made as a result of damage to the AUM Ammonia facility in August 2013.

Consolidated Energy Limited

Consolidated Financial Statements
31 December 2014
(expressed in U.S. dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Consolidated Energy Limited

We have audited the accompanying consolidated financial statements of **Consolidated Energy Limited**, which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board 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 consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **Consolidated Energy Limited** 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 as issued by the International Accounting Standards Board.

Other Matter

This report is made solely to the company's shareholders, as a body, in accordance with Section 147 of the Companies Act of Barbados. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinion we have formed.

PricewaterhouseCoopers SRL

April 23, 2015
Bridgetown, Barbados

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Consolidated Energy Limited

Consolidated Statement of Financial Position

As at 31 December 2014

(expressed in U.S. dollars)

	Notes	2014 $000's	2013 $000's
ASSETS			
Non-current Assets			
Property, plant and equipment	6	2,258,480	–
Intangible assets	7	649,017	–
Investments in associates	9	166,847	757,652
Pension asset	10	12,718	–
Deferred tax asset	11	146,584	–
		3,233,646	757,652
Current Assets			
Inventories	12	138,861	–
Trade and other receivables	13	397,616	170
Taxation recoverable		5,244	–
Cash and cash equivalents	14	346,169	92
		887,890	262
Total Assets		4,121,536	757,914
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the Company			
Share capital	15	219,741	24,544
Shares on application	16	–	195,197
Retained earnings		907,412	538,052
		1,127,153	757,793
Non-Current Liabilities			
Borrowings	17	1,584,522	–
Deferred tax liabilities	11	425,224	–
Asset retirement obligation	18	226,469	–
Intangible liabilities	19	285,203	–
		2,521,418	–
Current Liabilities			
Borrowings	17	223,484	–
Trade and other payables	20	157,200	121
Taxation payable		3,723	–
Intangible liabilities	19	88,558	–
		472,965	121
Total Liabilities		**2,994,383**	**121**
Total Equity and Liabilities		**4,121,536**	**757,914**

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

____________________ Director ____________________ Director

Consolidated Energy Limited

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

(expressed in U.S. dollars)

	Notes	2014 $000's	2013 $000's
Gross Revenue		358,594	–
Cost of Sales		(327,057)	–
Gross Profit		31,537	–
Other Income	22	269,735	207
Other Expenses			
General and Administrative	21	(13,268)	(3,033)
Marketing	21	(377)	–
		(13,645)	(3,033)
Operating Profit		**287,627**	**(2,826)**
Net Finance Costs/Income	23	**(25,746)**	**27**
Share of Results of Associates	9	**106,096**	**103,204**
Profit Before Taxation		**367,977**	**100,405**
Taxation credit/(charge)	24	**636**	**–**
Profit For The Year		**368,613**	**100,405**
Other Comprehensive Income			
Remeasurement of post employment benefit obligations	10	747	–
Total Comprehensive Income for the Year		**369,360**	**100,405**

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

Consolidated Energy Limited

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

(expressed in U.S. dollars)

	Share capital $000's	Shares on application $000's	Retained earnings $000's	Total $000's
Year Ended 31 December 2013				
Balance at 1 January 2013	24,544	195,197	576,952	796,693
Total profit for the year	–	–	100,405	100,405
Transactions with Owners - dividend paid	–	–	(139,305)	(139,305)
Balance at 31 December 2013	**24,544**	**195,197**	**538,052**	**757,793**
Year Ended 31 December 2014				
Balance at 1 January 2014	24,544	195,197	538,052	757,793
Issue of shares	195,197	(195,197)	–	–
Total profit for the year	–	–	368,613	368,613
Other comprehensive income	–	–	747	747
Balance at 31 December 2014	**219,741**	**–**	**907,412**	**1,127,153**

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

Consolidated Energy Limited

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

(expressed in U.S. dollars)

	Notes	2014 $000's	2013 $000's
Operating activities			
Profit before taxation		367,977	100,405
Adjustments for:			
Depreciation and amortisation		28,477	–
Loan interest expense	23	24,537	–
Net pension cost	10	(668)	–
Provisions: Unwinding of discount	23	1,309	–
Gain on re-measurement of previously held interest	22	(268,939)	–
Share of results of associates	9	(106,096)	(103,204)
		46,597	(2,799)
Working capital adjustments:			
Decrease in inventories		632	–
Decrease in trade and other receivables		35,014	52
Increase in trade and other payables		589	72
		82,832	(2,675)
Taxation paid		(14,836)	–
Net cash flows used in operating activities		67,996	(2,675)
Investing activities			
Purchase of property, plant and equipment	6	(12,538)	–
Acquisition of subsidiary, net of cash acquired	5	(849,905)	–
Dividends received	9	62,297	140,635
Net cash flows used in investing activities		(800,146)	140,635
Financing activities			
Proceeds from issuance of notes		1,239,500	–
Transaction costs on issuance of notes		(48,515)	–
Repayment of other borrowings		(104,259)	–
Loan interest paid		(8,499)	–
Dividend paid		–	(139,305)
Net cash flows from in investing activities		**1,078,227**	**(139,305)**
Net decrease in cash and cash equivalents		**346,077**	**(1,345)**
Cash and cash equivalents - beginning of year		**92**	**1,437**
Cash and cash equivalents - end of year	14	**346,169**	**92**

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

(expressed in U.S. dollars)

1 General Information

The Company was incorporated on 12 September 2000 in the Republic of Trinidad and Tobago. On 11 December 2008, the Company was registered as an external company under the Companies Act of Barbados and its tax residence was moved to Barbados. The company was licensed to conduct international business within the provisions of the International Business Companies Act of Barbados. Subsequent to December 2008, central management and control of the company was exercised in and from Barbados. Its principal office is located at Suite 2, Berne Building, The Courtyard, Hastings, Christ Church, BB15156, Barbados, West Indies.

Its principal activity is that of an investment holding company. The Company has associate interests in Methanol Holdings (International) Limited and Caribbean Nitrogen Company Limited. Methanol Holdings (International) Limited is an investment holding company with a 60% interest in Oman Methanol Company LLC.

The Company has wholly-owned subsidiaries of FS Petrochemicals (St Kitts) Limited, Consolidated Energy Finance SA and Methanol Holdings (Trinidad) Limited which was previously held as an associate with 43.47% ownership. FS Petrochemicals (St Kitts) Limited is also an investment holding company, whose only investment is a 30% shareholding in Nitrogen (2000) Unlimited thereby making the latter an associate of the Company. Consolidated Energy Finance SA was incorporated in July 2014 for the main purpose of financing the acquisition of the remaining 56.53% shareholding in Methanol Holdings (Trinidad) Limited. This acquisition was completed in October 2014.

The Company's shareholders are MFH Holdings GesmbH (25%), a company registered in Austria and OPAG (Barbados) Limited (75%), a company registered in Barbados.

MFH Holdings GesmbH has a 25% interest in the Company. Helm AG, a company registered in Germany, holds 100% of the shares of MFH Holdings GesmbH. OPAG (Barbados) Limited has a 75% interest in the Company. Proman Holding AG, a Swiss Company, holds 100% of the shares of OPAG (Barbados) Limited, thereby making it the ultimate parent company.

All of the wholly owned subsidiaries and investee companies are involved in the petrochemical industry.

The Company, together with its wholly owned subsidiaries and share of associates are herein referred to as the 'Group'.

On 23 April 2015, the Company's Board of Directors approved these consolidated financial statements for issue.

2 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS, as issued by the IASB. The consolidated financial statements have been prepared under the historical cost convention.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with IFRS, as issued by the IASB, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

a) New and amended standards

The following standards have been issued and are effective for periods beginning on or after 1 January 2014 and do not have a material impact on the consolidated financial statements:

- Amendments to IFRS 10, 'Consolidated Financial Statements', IFRS 12, 'Disclosure of Interests in Other Entities' and IAS 27, 'Separate Financial Statements'. The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27;
- Amendments to IAS 32, 'Financial Instruments: Presentation' for offsetting financial assets and financial liabilities. These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous;
- Amendments to IAS 36, 'Impairment of Assets' on recoverable amount disclosures. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal;
- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised.

b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014 and have not been applied in preparing the consolidated financial statements. These include:

- IFRS 9, 'Financial instruments', effective for financial periods beginning on or after 1 January 2015, addressed the classification, measurement and recognition of financial assets and financial liabilities. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch;
- IFRS 15 'Revenue from Contracts with Customers' is effective for annual periods beginning on or after 1 January 2017 and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The Group is currently assessing the potential impact of these new standards and will adopt them when they are effective.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.2 Consolidation

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the company. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Company is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

b) Changes in ownership interests in subsidiaries without change of control.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.2 Consolidation (continued)

c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss of the investee after the date of acquisition. The Group’s investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group’s share of post-acquisition profit or loss is recognised in the statement of comprehensive income and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to ‘share of profit/ (loss)’ in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the group’s financial statements only to the extent of unrelated investor’s interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.3 Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollars which is the Company's functional and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within general and administrative expenses.

2.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset at the following rates:

Leasehold land and buildings	-	30 years
Plant and machinery	-	15 - 20 years
Furniture and equipment	-	4 - 10 years
Turnaround costs	-	4 years
Catalyst in use	-	3 years
Work in progress	-	Nil

Catalyst costs are capitalised upon acquisition. No amortisation is taken until such time as the catalyst is installed. Amortisation rates are disclosed above.

Borrowing costs in connection with major capital projects are capitalised during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.5 Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income. Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

2.6 Turnaround costs

Major planned maintenance expenditure (turnarounds) providing benefits accruing to periods longer than one year are amortised evenly over these periods, usually 48 months. Where significant additional capital costs which enhance the life of the plants are incurred during turnaround, these costs are capitalised and written off over the remaining useful lives of the plants.

2.7 Intangible assets and liabilities

Intangible assets and liabilities acquired separately are measured on initial recognition at cost. The cost of intangible assets and liabilities acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets and liabilities are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets and liabilities with finite lives are amortised using the straight line method over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset/liability may be impaired. The amortisation period and the amortisation method for an intangible asset/liability with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets/liabilities with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets/liabilities.

Intangible assets and liabilities with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of intangible assets/liabilities are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Goodwill

Goodwill arising on the acquisition of subsidiaries is initially measured at the excess of the aggregate of consideration transferred, the amount of any non-controlling interest in the acquiree

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.7 Intangible assets and liabilities (continued)

Goodwill (continued)

and the acquisition-date fair value of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired and liabilities assumed. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

After initial recognition, goodwill is acquired in a business combination is measured at the amount recognised at the acquisition date less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the date of acquisition is allocated to each of the group’s cash generating units, or groups of cash generating units, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash generating unit containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.8 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

2.9 Inventories

Methanol, Ammonia, UAN and Melamine are valued at the lower of production cost and estimated net realisable value. Production cost comprises: cost of raw materials, water and power, labour, plant depreciation, and other directly attributable costs and other overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Consumable items and spare parts are stated at weighted average cost less provision for obsolescence.

2.10 Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade accounts receivable is established where there is objective evidence that the Company will not be able to collect all amounts due.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.10 Trade receivables (continued)

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, and is recognised in the statement of comprehensive income.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other bank balances with original maturities of three months or less. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank. Under the terms of the loan agreement with the international lender, there are restrictions regarding the disbursement of funds from certain designated bank accounts (Note 14).

2.12 Share capital

Ordinary shares are classified as equity.

2.13 Shares on application

Shares on application are advances from shareholders and were converted into ordinary shares and classified as equity.

2.14 Payables and accruals

Payables and accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables and accruals are recognised at fair value initially and subsequently measured at amortised cost.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.16 Borrowings costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.16 Borrowings costs (continued)

to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates as well as rates applicable on tax holidays are used to determine deferred taxation. The principal temporary differences arise from depreciation on property, plant and equipment and provision for pension.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

The share of results of associates, dividends received and capital gains are not taxable. As such, no deferred tax assets or liabilities have been recorded on the investments in associates.

Generally the Group is unable to control the reversal of the temporary differences of the associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.18 Asset retirement obligations

The Group accounts for the costs of decommissioning and dismantlement of its plants. Independent estimates are obtained, at current market prices, of the decommissioning and dismantlement costs of the Group's plants. These estimates are then inflated to the expected dismantlement dates of the plants and discounted at a risk-free pre-tax rate, with the resultant amounts being capitalised under property, plant and equipment as part of the carrying amount of the plants. These costs are then amortised over the estimated useful lives of the plants. The fair value of the decommissioning and dismantlement liabilities is recognised in accordance with the accounting policy for provisions (see accounting policy 2.19).

In subsequent periods, the decommissioning and dismantlement liabilities are adjusted for the passage of time and other factors. Any change in the amount or timing of the underlying future cash flows due to changes in the discount rates or otherwise is added to or deducted from the related amounts recorded in property, plant and equipment. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the statement of comprehensive income.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of product in the ordinary course of the Group's activities. Revenue is exclusive of value added tax.

Revenue from Methanol, Ammonia, UAN and Melamine sales is recognised when the title to the product passes to the purchaser, in accordance with contractual arrangements, normally at the time of loading onto delivery vessels. In respect of certain related party sales, final prices are only determined upon sale of the product to third party customers. In respect of other sales, final prices are agreed upon receipt of the product by the customer.

Sales invoice pricing is laid out in the individual sales contracts and is determined on the following bases:

- Methanol - Prices are derived from published market prices less distribution costs which include marketing fees, customer discounts, storage and handling costs and other transshipment costs.

- UAN - Prices are derived from published market prices less distribution costs which include marketing fees, water dilution costs, storage and surveyor costs, financing fees and custom duties.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.20 Revenue recognition (continued)

- Melamine - Prices are derived from negotiated prices between the Group's customer and the final customer on a quarterly basis. The final sales price is determined after deducting distribution costs and marketing fees.

- Ammonia - Prices are derived from published market prices less market discounts.

Interest income arising from cash and cash equivalents is recognised when earned.

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Interest income on loan receivables is recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2.21 Financial Instruments – initial recognition and measurement

A financial instrument is any contract the gives rises to a financial asset of one entity and financial liability or equity instrument of another entity.

i) Financial assets and financial liabilities

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise amounts due from related parties, other receivables and cash and cash equivalents.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment.

Interest income on long-term loans and receivables is recognised by applying the effective interest rate.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.21 Financial Instruments – initial recognition and measurement (continued)

i) Financial assets and financial liabilities (continued)

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and any other premiums or discounts) through the expected life of the debt instrument, to the net carrying amount on initial recognition.

Financial liabilities

Financial liabilities include corporate bonds payables and amounts due to related parties and they are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form and integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the net carrying amount on initial recognition.

ii) Recognition and derecognition

Financial assets are recognised when on the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Recognition of financial liabilities is dealt with under Borrowings and Financial liabilities. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or when they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in consolidated income statement.

iii) Determination of fair value

The fair value of a financial instrument on initial recognition is normally the transaction price (ie the fair value of the consideration given or received).

For financial instruments traded in an active market, the determination of fair values of financial assets and liabilities is based on quoted market prices or dealer price quotations. If a rate (rather than a price) is quoted in an active market, the Group uses that market-quoted rate as an input into a valuation technique to determine fair value.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and these prices represent actual and regular occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.21 Financial Instruments – initial recognition and measurement (continued)

iii) Determination of fair value (continued)

bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions. When a market becomes inactive, the valuation technique utilised is the Group's internally developed model which is based on discounted cash flow analysis.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques using input existing at the year end.

The Group uses an internally developed model which is generally consistent with other valuation models used in the industry. Valuation models are used to value unlisted debt securities and other debt securities for which the market has become or is illiquid. Some of the inputs of this model may not be market observable and are therefore based on assumptions.

(iv) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category carried at amortised cost, 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 credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.21 Financial Instruments – initial recognition and measurement (continued)

(v) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the unconsolidated statement of financial position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.22 Pension obligations

The Company has no employees and has no contractual obligations to pay pensions.

One of the Group's subsidiaries operates a defined final salary pension plan for its former eligible employees (Note 10). Fund managers appointed by the trustees of the plan administer the funds of the plan. The pension plan has been funded by payments from employees and the subsidiary company, taking account of the periodic recommendations of independent qualified actuaries.

The asset recognised in the balance sheet in respect of the defined final salary pension plan is the fair value of plan assets less the present value of the defined benefit obligations at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs.

The pension asset is calculated annually by independent qualified actuaries using the projected unit credit method, and a full valuation is done at least every three years. The most recent completed actuarial valuation was as at 31 December 2013. Roll forward valuations, which are less detailed than full valuations are performed annually. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of long-term government securities that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Retirement arrangements for the subsidiary company are administered through individual policy contracts. There are no retirement benefit obligations in respect of the former subsidiary companies of Methanol Holdings (Trinidad) Limited, Caribbean Methanol Company Limited and Methanol IV Company Limited.

2.23 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Board of Directors.

2.24 Financial Instruments

Financial instruments carried on the balance sheet include cash and cash equivalents, trade and other receivables, trade and other payables and long-term loan. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

(expressed in U.S. dollars)

2 Summary of Significant Accounting Policies (continued)

2.25 Change in accounting estimate

At 31 December 2014, the Group's subsidiary MHTL, reassessed the useful lives of certain of its methanol plants at 12 years from date of last Turnaround (previously 20 years from date of commissioning). The depreciation charge for future periods is expected to be significantly lower by approximately $17 million.

2.26 Finalisation of provisional acquisition accounting

Following a business combination, the Group has a period of not more than twelve months from the date of acquisition to finalise the acquisition date fair values of assets acquired and liabilities assumed, including the valuations of identifiable intangible assets and property, plant and equipment. The determination of fair value of acquired identifiable intangible assets and liabilities and property, plant and equipment involves a variety of assumptions, including estimates associated with useful lives. In accordance with the accounting policy described in note 2.2(a), any adjustments on finalisation of the preliminary purchase accounting are recognised retrospectively to the date of acquisition.

3 Financial Risk Management

i) Financial risk factors

The Group'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 Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

Market risk

a) Currency risk

Management considers that the Group is not exposed to significant foreign exchange risk arising from currency exposure primarily because all receipts by way of equity and all payments are denominated in United States dollars. Dividend income and major expenses are denominated in United States dollars. Transactions in other currencies are not significant.

b) Interest rate risk

The Group's interest rate risk arises from long-term loans from third parties. Notes and other long term loans issued at variable rates expose the Group to cash flow interest rate risk. Notes and other long term loans issued at fixed rates expose the Group to fair value interest rate risk.

The floating rate notes and long-term loans are instruments which bear interest at LIBOR, which is variable, plus a fixed margin. The fair value of this debt is estimated at approximately $0.76 billion and has been based on the future cash flows discounted using the current market rate for similar debt.

The Group has call deposits which are at fixed interest rates and accordingly there is no exposure to interest rate risk.

(expressed in U.S. dollars)

3 Financial Risk Management (continued)

i) Financial risk factors (continued)

Market risk (continued)

c) Price risk

The Group is exposed to risks arising from fluctuations in the sales price of chemical products such as ammonia, methanol and urea; as well as fluctuations in the purchase price of natural gas.

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only high profile institutions are utilised. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. The carrying amounts of the following assets and liabilities approximate their fair values: cash and cash equivalents, trade and other receivables, and trade and other payables.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Management maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity reserve (comprises undrawn borrowing facilities and cash and cash equivalents) on the basis of expected cash flow. The table below shows the financial liabilities classed by maturity groupings from the balance sheet date:

At 31 December 2014	Within 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000
Trade and other payables	157,200	–	–	–
Borrowings	223,484	207,437	1,377,085	–
At 31 December 2013				
Trade and other payables	121	–	–	–
Borrowings	–	–	–	–

ii) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

(expressed in U.S. dollars)

3 Financial Risk Management (continued)

ii) Capital risk management (continued)

The gearing ratios at 31 December 2014 and 2013 were as follows:

	2014 $000's	2013 $000's
Total borrowings (Note 17)	1,808,006	–
Less: cash and cash equivalents (Note 14)	(346,169)	–
Net debt	1,461,837	–
Total equity	1,127,153	
Total capital	2,588,990	
Gearing ratio	**56%**	**N/A**

iii) Fair value estimation

The fair value less impairment provision of receivables and payables is assumed to approximate to their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

4 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

i) Decommissioning and dismantlement costs

The Group relied on the experience of an external contractor in estimating decommissioning costs for its plants. The provision has been estimated using existing technology, at current prices, and using discount rates of 4.5% - 6.5% and core inflation rate of 3%. The impact in 2014 of a 1% change in the key assumptions is as follows:

	Obligation $000's	Expense $000's
Discount rate		
- decrease in assumption	27,511	(713)
- increase in assumption	(24,224)	404
Inflation rate		
- decrease in assumption	(26,880)	(1,531)
- increase in assumption	30,312	1,728

(expressed in U.S. dollars)

4 Critical Accounting Estimates and Judgments (continued)

ii) Income taxes

Some judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made

iii) Pension obligations

The Group's subsidiary, Methanol Holdings (Trinidad) Limited, operates a defined benefit pension plan. The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any change in these assumptions will impact the carrying amount of pension obligations.

The subsidiary determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of the estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the subsidiary considers the interest rates of long-term securities that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based in part on current market conditions.

iv) Business combinations

Accounting for business combinations is predicated on assessing the fair value, as of the date of the business combination, of a number of items, including the consideration paid for an acquisition, and the tangible and intangible assets acquired, and liabilities assumed, based on their estimated fair values. The determination of the fair value of the consideration transferred may include a number of factors including, but not limited to: an assessment of the value of equity interests issued. The determination of many of these factors may require significant management estimates and assumptions.

The fair values of the identifiable assets acquired and liabilities assumed were recorded at provisional amounts in accordance with IFRS 3- Business Combinations. The provisional amounts recorded in the financial statements are based on the information available to management at the time of their preparation and approval. Assumptions were made in estimating the acquisition date fair values based on the facts and circumstances applicable to the acquisition at the acquisition date. As discussed in Note 2.26, the Group has a period of not more than twelve months from the date of acquisition to finalise the acquisition date fair values of assets acquired and liabilities assumed. As a result, there may be adjustments to the provisional fair values of assets acquired, liabilities assumed and the resultant goodwill in subsequent financial statements issued by the group within twelve months of the date of acquisition.

5 Business Combination

On 9 October 2014, Consolidated Energy Limited (CEL) acquired the remaining 56.53% interest in Methanol Holdings (Trinidad) Limited (MHTL) for $1,175 million, making it a wholly-owned subsidiary.

(expressed in U.S. dollars)

5 Business Combination (continued)

Prior to this acquisition, CEL held 43.47% of MHTL and CL Financial Limited (CLF) & Colonial Life Insurance Company Limited (CLICO) together held the remaining 56.53%. In November 2013, following an international arbitration involving MHTL's shareholders, the tribunal of the International Chamber of Commerce's International Court of Arbitration (ICC) ruled that CLF and CLICO must sell their combined interest of 56.53% in MHTL to CEL. The final terms, including the purchase price of $1,175 million was set by the ICC Tribunal on 24 August 2014. On 23 September 2014, CLF and CLICO offered CEL the remaining 56.53% interest in MHTL which CEL accepted on 25 September 2014. The process for transfer of control in MHTL to CEL was completed on 9 October 2014.

This acquisition was financed by fixed and floating rate notes issued by the Group's subsidiary, Consolidated Energy Finance S.A. (CEF) - See Note 17.

The consolidation of MHTL was accounted for as a business combination achieved in stages using the acquisition method of accounting as follows:

- The previously held 43.47% interest in MHTL by CEL was remeasured at fair value at the acquisition date and the resulting gain of $268.9 million is included in other income in the group's statement of comprehensive income for the year ended 31 December 2014. The fair value of the previously held equity interest was determined based on the fair value of the purchase price of the remaining 56.53% of $1,175 million as set by the ICC Tribunal. The purchase price, which represented a third party valuation, implied MHTL's total equity was valued at $2,078 million.
- The provisional fair values of the identifiable assets acquired and liabilities assumed at the date of acquisition were as follows:

	Fair value $000's
Property, plant and equipment (Note 6)	2,304,560
Pension asset	12,364
Deferred tax assets (Note 11)	157,200
Intangible asset (Note 7)	121,451
Total non-current assets	2,595,575
Inventories	167,247
Trade and other receivables	432,630
Taxation recoverable	5,081
Cash and cash equivalents	325,095
Total current assets	930,053
Total identifiable assets acquired	**3,525,628**
Borrowings	503,541
Deferred tax liability (Note 11)	443,146
Asset retirement obligation (Note 18)	232,167
Intangible liability (Note 19)	290,997
Total non-current liabilities	1,469,851

(expressed in U.S. dollars)

5 Business Combination (continued)

	Fair value $000's
Borrowings	222,562
Trade and other payables	142,573
Taxation payable	11,890
Intangible liability (Note 19)	132,837
Total current liabilities	509, 862
Total identifiable liabilities assumed	**1,979,713**
Net identifiable assets acquired	**1,545,915**

The fair value of the trade and other receivables amounts to $432.63 million. The gross amount of trade and other receivables is also $432.63 million. None of the trade and other receivables have been impaired and it is expected that the full contractual amounts can be collected.

The fair values disclosed are provisional as at 31 December 2014 due to the complexity of the acquisition and as the acquisition was in close proximity to the year end, the assessment of the fair value of all the assets and liabilities is still being finalised. As a result the final fair values may differ. The review of the fair value of the assets and liabilities acquired will be completed within 12 months of the acquisition date.

- Goodwill was determined at the end of the measurement period as follows:

	At the Acquisition Date $000's
Consideration paid for the acquisition of the additional 56.53% interest	1,175,000
Fair value of the previously held interest (43.47%)	903,542
Fair value of net identifiable assets acquired	(1,545,915)
Goodwill	**532,627**

The goodwill is primarily attributable to the significant synergies expected to be achieved from integrating MHTL into the Group.

The goodwill recognised is non-deductible for tax purposes.

(expressed in U.S. dollars)

5 Business Combination (continued)

- The consideration paid excluded acquisition related costs of $5.8 million, which have been charged to general and administrative expenses in the group's statement of comprehensive income for the year ended 31 December 2014. The net cash outflow on acquisition is as follows:

	At the Acquisition Date $000's
Cash paid	(1,175,000)
Cash and cash equivalents acquired	325,095
Net cash outflow on acquisition	**(849,905)**

There is no contingent consideration in respect of the acquisition.

From the date of acquisition to 31 December 2014, MHTL contributed $358.6 million to Group revenue and $3.4 million to Group profit. If the acquisition had taken place at the beginning of the year, Group revenue and profit for 2014 would have been $1,562 million (unaudited) and $157.1 million (unaudited), respectively.

6 Property, Plant and Equipment

Year Ended 31 December 2014	Opening Net Book Amount $'000	Acquisition $000's	Additions $000's	Adjustments $000's	Depreciation and Amortisation $000's	Closing Net Book Amount $000's
Leasehold land and buildings	–	1,406	–	–	(22)	1,384
Plant and machinery	–	2,298,117	12,426	(5,688)	(51,378)	2,253,477
Work in progress	–	1,320	–	(1,320)	–	–
Furniture and equipment	–	3,717	112	–	(210)	3,619
	–	**2,304,560**	**12,538**	**(7,008)**	**(51,610)**	**2,258,480**

At 31 December 2014	Cost $000's	Accumulated Depreciation $000's	Net book Amount $000's
Leasehold land and buildings	1,406	(22)	1,384
Plant and machinery	2,304,855	(51,378)	2,253,477
Furniture and equipment	3,829	(210)	3,619
	2,310,090	**(51,610)**	**2,258,480**

(expressed in U.S. dollars)

7 Intangible Assets

	Goodwill $000's	Contract-Related $000's	Total $000's
Cost			
At 1 January 2014	–	–	–
Acquisition of subsidiary (Note 5)	532,627	121,451	654,078
At 31 December 2014	532,627	121,451	654,078
Amortisation and impairment			
At 1 January 2014	–	–	–
Amortisation charge for the year	–	5,061	5,061
At 31 December 2014	–	5,061	5,061
Net book value			
At 31 December 2013	–	–	–
At 31 December 2014	**532,627**	**116,390**	**649,017**

The contract-related intangible assets were acquired through the business combination (note 5).

This intangible asset relates to favourable terms of one of raw material supply contracts of the subsidiary, Methanol Holdings (Trinidad) Limited, relative to market conditions at the acquisition date. This intangible asset is being amortised over the remaining period of the contract, which is six years.

The amount amortised for the year ended 31 December 2014 of $5.06 million is included in cost of sales.

8 Impairment Testing of Goodwill

For impairment testing purposes, goodwill acquired through business combinations has been unallocated. It represents the provisional amount acquired through the acquisition of Methanol Holdings (Trinidad) Limited during the year, which could not be reliably allocated. There were no indicators of impairment during the period to 31 December 2014. This goodwill has not yet been subject to impairment testing.

9 Investment in Associates

The amounts recognised in the statement of financial position are as follows:

	2014 $000's	2013 $000's
Investment in associates	166,847	757,652

The amounts recognised in the statement of comprehensive income are as follows:

	2014 $000's	2013 $000's
Share of results of associates	106,096	103,204

(expressed in U.S. dollars)

9 Investment in Associates (continued)

Nature of investments in associates of the Group for 2014 and 2013:

The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group and the country of incorporation is also their principal place of business.

Name of entity	Country of incorporation	Measurement method	% of ownership interest
Methanol Holdings (International) Limited	St. Kitts and Nevis	Equity	43.47%
Caribbean Nitrogen Company Limited	Trinidad and Tobago	Equity	30.00%
Nitrogen (2000) Unlimited	Trinidad and Tobago	Equity	30.00%
Methanol Holdings (Trinidad) Limited	Trinidad and Tobago	9.1	

9.1 Methanol Holdings (Trinidad) Limited was accounted for using the equity method until 30 September 2014 based on 43.47% ownership interest. Consolidated Energy Limited acquired the remaining 56.53% interest in Methanol Holdings (Trinidad) Limited, making it a wholly-owned subsidiary from 1 October 2014.

(expressed in U.S. dollars)

Summarised financial information for associates

Set out below are the summarised financial information for Methanol Holdings (International) Limited (MHIL), Caribbean Nitrogen Company Limited (CNC) and Nitrogen (2000) Unlimited (N2000) and Methanol Holdings (Trinidad) Limited (up to 30 September 2014 only) which are accounted for using the equity method:

Summarised Statement of Financial Position

	MHIL*		CNC		N2000		MHTL		Total	
	As at 31 December		As at 31 December		As at 31 December		As at 30 September	As at 31 December	As at 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current Assets	171,621	187,048	64,294	65,524	64,784	78,361	902,299	753,142	1,202,998	1,084,075
Non-Current Assets	326,236	361,527	161,181	187,427	230,099	167,551	1,935,660	2,040,635	2,653,176	2,757,140
Total Assets	**497,857**	**548,575**	**225,475**	**252,951**	**294,883**	**245,912**	**2,837,959**	**2,793,777**	**3,856,174**	**3,841,215**
Current Liabilities	78,687	71,964	24,890	24,682	42,634	26,174	365,438	355,515	511,649	478,335
Non-Current Liabilities	134,298	170,272	37,340	35,693	113,625	69,693	1,012,657	1,119,922	1,297,920	1,395,580
Total Liabilities	**212,985**	**242,236**	**62,230**	**60,375**	**156,259**	**95,867**	**1,378,095**	**1,475,437**	**1,809,569**	**1,873,915**
Net Assets	**284,872**	**306,339**	**163,245**	**192,576**	**138,624**	**150,045**	**1,459,864**	**1,318,340**	**2,046,605**	**1,967,300**

* *Methanol Holdings (International) Limited is an investment holding company with a 60% interest in Oman Methanol Company LLC. CEL holds a 43.47% interest in Methanol Holdings (International) Limited. As a result of this ownership structure, CEL holds a 26.08% effective interest in Oman Methanol Company LLC.*

(expressed in U.S. dollars)

Summarised statement of comprehensive income

	MHIL		CNC		N2000		MHTL		Total	
	As at 31 December		As at 31 December		As at 31 December		As at 30 September	As at 31 December	As at 31 December	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue	302,905	397,675	243,332	216,516	188,087	250,367	1,204,166	1,610,406	1,938,490	2,474,964
Profit Before Taxation	89,024	144,882	69,439	40,514	51,022	99,222	179,039	151,937	388,524	436,555
Profit After Taxation/Total Comprehensive Income	77,733	126,733	44,169	24,751	36,954	78,498	141,524	90,196	300,380	320,178
Profit Attributable to Parent	46,558	75,960	44,169	24,751	36,954	78,498	141,524	90,196	269,205	269,405
Group's Share of Results	**20,239**	**33,021**	**13,251**	**7,425**	**11,086**	**23,549**	**61,520**	**39,209**	**106,096**	**103,204**

(expressed in U.S. dollars)

Reconciliation of carrying amount of investment in associates as at 31 December 2014:

	MHIL		**CNC**		**N2000**		**MHTL**		**Total**	
	As at 31 December		**As at 31 December**		**As at 31 December**		**As at 30 September**	**As at 31 December**	**As at 31 December**	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Opening Net Assets	306,339	315,406	192,576	231,044	150,045	185,172	1,318,340	1,348,144	1,967,300	2,079,766
Profit After Taxation	77,733	126,733	44,169	24,751	36,954	78,498	141,524	90,196	300,380	320,178
Less: Dividends	(99,200)	(135,800)	(73,500)	(63,219)	(48,375)	(113,625)	–	(120,000)	(221,075)	(432,644)
Less : Decognition of investment in associate	–	–	–	–	–	–	(1,459,864)	–	(1,459,864)	–
Net Assets	284,872	306,339	163,245	192,576	138,624	150,045	–	1,318,340	586,741	1,967,300
Less: Non-Controlling Interest	(110,098)	(118,923)	–	–	–	–	–	–	(110,098)	(118,923)
Other Differences	351	351	531	531	–	–	–	–	882	882
	175,125	187,767	163,776	193,107	138,624	150,045	–	1,318,340	477,525	1,849,259
Group's carrying amount of investment	**76,127**	**81,623**	**49,133**	**57,932**	**41,587**	**45,014**	**–**	**573,083**	**166,847**	**757,652**

(expressed in U.S. dollars)

10 Pension Asset

	2014 $000's
Net Asset in Statement of Financial Position:	
Present Value of Defined Benefit Obligation	14,430
Fair Value of Assets	(32,598)
Surplus	(18,168)
Effect of Ceiling	5,450
Net Defined Benefit Asset	(12,718)
Movement in Present Value of Defined Benefit Obligation:	
Defined Benefit Obligation at acquisition	14,373
Current service cost	–
Interest cost	707
Members' Contributions	–
Re-measurements - Experience Adjustments	(107)
Exchange Difference	64
Benefits and Expenses Paid	(607)
Defined Benefit Obligation at end of the year	14,430
The defined benefit obligation is allocated between the Plan's members as follows:	
- Active	0%
- Deferred members	25%
- Pensioners	66%
- Expense reserve	9%
The weighted average duration of the defined benefit obligation at year-end	14.5 years
Movement in Fair Value of Plan Assets:	
Fair Value of Plan Assets at start of year	32,157
Interest Income	1,277
Return on Plan assets, excluding interest income	(373)
Company contributions	–
Members' contributions	–
Exchange Difference	144
Benefits and Expenses Paid	(607)
End of the year	**32,598**
Actual return on plan assets	**904**
Asset Allocation	
Locally listed equities	89
Overseas equities	2,904
Government issued nominal bonds	8,570
Corporate bonds	8,521
Cash and cash equivalents	12,514
	32,598

(expressed in U.S. dollars)

10 Pension Asset (continued)

All investment values as at 31 December 2014 were provided by the Plan's Investment Manager and Trustee (Republic Bank Limited). Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. The Investment Manager calculates the fair value of the Government bonds and corporate bonds by discounting expected future proceeds using a constructed yield curve.

All of the Plan's government bonds were issued by the Government of Trinidad and Tobago, which also guarantees many of the corporate bonds held by the Plan.

The Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad and Tobago and no more than 50% in equities) and the availability of suitable investments. There are no asset-liability matching strategies used by the Plan.

	2014 $000's
Expense recognised in Statement of Comprehensive Income	
Current service cost	–
Net Interest on Net Defined Benefit Asset	(570)
Net pension cost	(570)
Re-measurements recognised in Other Comprehensive Income	
Experience gains/losses	266
Effect of asset ceiling	(1,013)
	(747)

	2014 $000's
Reconciliation of Opening and Closing Balance Sheet Entries	
Defined benefit asset at acquisition	(11,303)
Net pension cost	(570)
Re-measurements recognised in other comprehensive income	(747)
Exchange difference	(98)
Company paid contributions	–
	(12,718)

Summary of Principal Assumptions as at 31 December

Discount rate	5.00%
Future pension increases	3.00%

(expressed in U.S. dollars)

10 Pension Asset (continued)

Assumptions regarding future mortality are based on published mortality tables. The life expectancies underlying the value of the defined benefit as at 31 December 2014 are as follows:

Life expectancy at age 60 for current pensioner in years	
- Male	21.0
- Female	25.1
Life expectancy at age 60 for current members age 40 in years	
- Male	21.4
- Female	25.4

The pension asset represents approximately 60 - 70% of the surplus of the fair value of the plan assets over the defined benefit obligation which the Company expects to realise following the winding up of the pension plan. The eventual realisation of the surplus is dependent upon the final decision of the trustees who will take into consideration advice of the actuaries and relevant legislative and statutory bodies.

Sensitivity Analysis

The calculation of the defined benefit obligation is sensitive to the assumptions used. The following table summarises how the defined benefit obligation as at 31 December 2014 would have changed as a result of a 1% change in the assumptions used.

	Increase	**Decrease**
Discount rate	(1,641)	2,041

An increase of 1 year in the assumed life expectancies shown above would increase the defined benefit obligation at 31 December 2014 by $0.284 million.

These sensitivities were calculated by re-calculating the defined benefit obligations using the revised assumptions.

Funding

The Company meets the balance of the cost of funding the defined benefit Pension Plan and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on regular (at least every three years) actuarial valuations of the Plan and the assumptions used to determine the funding required may differ from those set out above. As there are no remaining contribution Plan members and the Plan is in surplus the Company does not expect to pay any contributions to the Pension Plan during 2015.

11 Deferred Taxation

	2014 **$000's**
Deferred Tax Assets	
To be utilised after more than 12 months	146,584
Deferred Tax Liabilities	
To be realised after more than 12 months	425,224

(expressed in U.S. dollars)

11 Deferred Taxation (continued)

The movement in deferred tax assets during the year is as follows:

	Fair Value Adjustments $'000	Other Provisions $'000	Total $000's
At 1 January 2014	–	–	–
Acquisition of subsidiary	128,417	28,783	157,200
Credit to statement of comprehensive income	(10,884)	268	(10,616)
At 31 December 2014	117,533	29,051	146,584

The movement in deferred tax liabilities during the year is as follows:

	Fair Value Adjustments $'000	Accelerated Depreciation $'000	Pension Asset $'000	Total $'000
At 1 January 2014	–	–	–	–
Acquisition of subsidiary	42,661	396,158	4,327	443,146
Charge/(credit) to statement of comprehensive income	(13,153)	(4,893)	124	(17,922)
At 31 December 2014	29,508	391,265	4,451	425,224

The net movement in deferred tax assets and liabilities during the year is as follows:

	Fair Value Adjustments $'000	Accelerated Depreciation $'000	Pension Asset $'000	Fair Value Adjustments $'000	Other Provisions $'000	Total $'000
At 1 January 2014	–	–	–	–	–	–
Acquisition of subsidiary	42,661	396,158	4,327	(128,417)	(28,783)	285,946
Charge/(credit) to statement of comprehensive income	(13,153)	(4,893)	124	10,884	(268)	(7,306)
At 31 December 2014	29,508	391,265	4,451	(117,533)	(29,051)	278,640

(expressed in U.S. dollars)

12 Inventories

	2014 $000's	2013 $000's
Consumable items and spare parts	103,617	–
Less: provision for obsolescence	(8,224)	–
	95,393	–
Manufactured product	43,468	–
	138,861	–

13 Trade and Other Receivables

13.1

	2014 $000's	2013 $000's
Trade receivables	327,153	–
Other receivables	35,439	170
Manufactured product	35,024	–
	397,616	170

Related party balances included above: (See note 25)

	2014 $000's	2013 $000's
Trade receivables	324,270	49
Other receivables	30	–
	324,300	49

13.2

As at 31 December 2014, trade receivables of $235.1 million (2013 - $Nil) were fully performing.

As at 31 December 2014, trade receivables of $92.1 million (2013 - $Nil) were past due but not impaired. These relate to a few customers for whom there is no history of default.

The ageing analysis of these trade receivables is as follows:

Up to 3 months past due	92,103

13.3 As at 31 December 2014 there were no trade receivables that were impaired or fully provided for.

13.4 The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

(expressed in U.S. dollars)

14 Cash and Cash Equivalents

	2014 $000's	2013 $000's
Cash at bank	224,169	92
Short-term bank deposits	126,092	4,092
	350,261	4,184
Less provision for impairment of short-term bank deposit	(4,092)	(4,092)
	346,169	92

Included in short-term bank deposits is an amount of approximately US$4 million which is held with Clico Investment Bank Limited (CIB) and for which an impairment provision has been established as shown above. The amount originated in 2008 and comprises investment note certificates (INCs), which matured in May 2009, but have not been received to date. In January 2009, CIB became controlled by the Central Bank of Trinidad and Tobago. The Central Bank has indicated that all third party assets and liabilities of CIB will be transferred to a state-owned financial institution. The directors have considered the facts and circumstances regarding this matter and have concluded that an impairment provision is required.

Included in the cash accounts held at Deutsche Bank Trust Company Americas, is an amount of $111 million designated as the Investment Reserve balance as per the Amended and Restated Security Agreement dated 30 June 2008 for the AUM and M5000 loans with the International lender. Funds held in the Proceeds Account may be withdrawn in the following order of application:

i) To pay Operating Costs

ii) To meet Loan Obligations when due

15 Share Capital

Authorised:

An unlimited number of ordinary shares of no par value.

	2014 $000's	2013 $000's
Issued and fully paid		
13,485,511 (2013 - 13,485,511) ordinary shares of no par value	219,741	24,544

In October 2014, the value of the share capital was increased by the amount of $195.197 million, which was previously reflected as shares on application in Note 16 below. This increase was in accordance with Section 35(5) of the Companies Act of Trinidad and Tobago. No changes were made in the number of shares issued.

(expressed in U.S. dollars)

16 Shares on Application

	2014 $000's	2013 $000's
Shares on application	–	195,197

In October 2014, the shares on application was decreased and the value transferred to share capital. See note 15 above.

17 Borrowings

	2014 $000's
Notes in Issue	
Senior Fixed Rate Notes	1,050,000
Senior Floating Rate Notes	200,000
	1,250,000
Less:	
Discount on Senior Fixed Rate Notes	(10,124)
Issuance Costs	(46,778)
	1,193,098
Other Borrowings	
M5000 Loan	59,177
AUM Loan	555,731
	614,908
Total Borrowings	**1,808,006**
Total Borrowings	**1,808,006**
Less: Current Maturities	**(223,484)**
Non-Current Maturities	**1,584,522**
The maturity of non-current borrowings is as follows:	
Between 1 and 2 years	207,437
Between 2 and 5 years	1,377,085
	1,584,522

(expressed in U.S. dollars)

17 Borrowings (continued)

Notes in Issue

In order to finance the acquisition of the remaining 56.53% of the shares of MHTL by CEL, the Group's subsidiary, CEF, issued senior unsecured notes. The Notes issued by the subsidiary on 7 October 2014 are in the form of general unsecured bonds.

The Notes issued are quoted on the Luxembourg stock exchange and have been rated "B2" by Moody's on 29 September 2014.

The Notes have a maturity period of 5 years until 15 October 2019 and have been issued in two tranches:

- Fixed Rate Notes

  A fixed yield tranche of USD 1,050 million carrying an interest rate of 6.75% per annum. Interest will accrue from the Issue Date and will be payable semi-annually in arrears on each 15 April and 15 October, commencing 15 April 2015.

- Floating Rate Notes

  A variable yield tranche of USD 200 million carrying a floating rate of interest equal to three month LIBOR plus 3.5% per annum. Interest will accrue from the Issue Date and will be payable quarterly in arrears on each 15 January, 15 April, 15 July and 15 October, commencing on 15 January 2015.

The nominal value of the Notes has been decreased by the discount of 1% (USD 10.5 million) granted on the nominal value of the fixed yield tranche and by the issuance costs of USD 48,514,557.

Redemption

- The Notes may be redeemed at any time prior to 15 October 2015 (Floating Rate Notes) and 15 October 2016 (Fixed Rate Notes) , in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to (but excluding) the redemption date and a "make-whole" premium.
- The Notes maybe redeemed on any one or more occasions on or after 15 October 2015 (Floating Rate Notes) and 15 October 2016 (Fixed Rate Notes), in whole or in part, at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest, if any, to (but excluding) the redemption date.
- For the Floating Rate Notes , during the period from the Issue Date to 15 October 2015, CEF may redeem up to 10% (Floating Rate Note) of the aggregate principal amount of the Notes issued at a redemption price equal to 103.000% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to (but excluding) the redemption date.
- For the Fixed Rate Notes, during the period from the Issue Date to 15 October 2016, CEF may redeem up to 35% of the aggregate principal amount of the Notes issued at a redemption price equal to 106.750% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date with the net cash proceeds of certain equity offerings.
- Additionally, the Notes may be redeemed upon the occurrence of certain changes in applicable tax law at a redemption price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to(but excluding) the redemption date.

(expressed in U.S. dollars)

17 Borrowings (continued)

Notes in Issue (continued)

Repurchase at the Option of Holders

- Upon the occurrence of certain change of control triggering events, CEF maybe required to offer to purchase the Notes from holders at a redemption price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but excluding) the redemption date.

- If the Group sells certain of its assets, CEF will be required to offer to purchase Notes from holders at the purchase price set forth in the indenture.

Guarantees

The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by the Parent Guarantor, CEL, and the Parent Guarantor's existing subsidiaries (other than the CEF, but including, without limitation, FS Petrochemicals (St. Kitts) Limited and MHTL) subsequently acquired or organized direct and indirect subsidiaries (other than the CEF), subject to certain exceptions (together with FS Petrochemicals (St. Kitts) Limited and, after giving effect to the Acquisition, MHTL, the "Subsidiary Guarantors" and, together with CEL, the "Guarantors").

The payment of the principal of, premium, if any, and interest on the Notes and the obligations of the Guarantors under the Guarantees will:

- be effectively subordinated in right of payment to any existing and future secured indebtedness of the CEF and the Guarantors, including the KfW Loans, to the extent of the value of the assets securing such indebtedness;

- be pari passu in right of payment with all existing and future indebtedness of CEF and the Guarantors that is not subordinated in right of payment to the Notes and the Guarantees;

- rank senior in right of payment to all existing and future indebtedness of CEF and the Guarantors that is subordinated in right of payment to the Notes and the Guarantees; and

- be structurally subordinated to all indebtedness, claims of holders of preferred stock and other liabilities of the Parent Guarantor's future subsidiaries that are not Guarantors

Other Borrowings

M5000 loan

On 16 December 2002, the Group's subsidiary, MHTL, executed two loan agreements with KFW IPEX – Bank (KfW) for the maximum principal amounts of $391 million (loan #10293) and $59 million (loan #10292) respectively. These loans were used to finance the construction of the M5000 plant and the interest thereon during construction. These loans are repayable in 20 and 10 semi-annual instalments respectively which commenced on 31 October 2006. The total actual drawdowns on these loans amounted to $438.57 million.

Presently interest is charged at 6 months London Interbank Offered Rate (LIBOR) plus a margin of 1% per annum except for the partial loan balance of $6.555 million which remains fixed until October 2015 at 5.92%

(expressed in U.S. dollars)

17 Borrowings (continued)

Other Borrowings (continued)

AUM loan

On 12 July 2006, the Group's subsidiary, MHTL executed two loan agreements with KfW for the aggregate principal amounts not exceeding $993.840 million (loan #12701) and $248.46 million (loan #12700) respectively. These loans were used to finance the construction of the AUM project, comprising an Ammonia plant, a UREA solution plant, a UREA Ammonium Nitrate plant and two Melamine plants. On 11 June 2007 by mutual consent the aggregate principal amount on loan #12701 was reduced to $855.56 million. On 19 June 2008, MHTL executed an additional loan with KfW for the aggregate principal amount not exceeding $200 million (loan 23148) which was used in connection with the AUM Project.

- **Loan #12701**

  Except for the partial loan amount of $220 million, interest is charged at 6 months USD LIBOR plus a margin of 0.4% per annum. Subject to certain conditions, interest on the amount of $220 million is charged at CIRR determined to be 5.55% per annum. This loan is payable in 17 semi-annual instalments which commenced on 30 June 2010.

- **Loan #12700**

  Interest is charged at 6 months USD LIBOR plus a margin of 0.9% per annum. This loan is payable in 14 semi-annual instalments which commenced on 30 June 2010.

- **Loan #23148**

  Interest is charged on the basis of the Reference Interest Rate plus a margin of 1.3% per annum. This loan is payable in 14 semi-annual instalments which commenced on 30 June 2010.

  MHTL has entered into a floating - to - fixed interest rate swap with KfW to hedge against the interest rate risk on the additional $200 million loan. The effect of this is that the actual interest rate will be the lower of the fixed rate payable by the Company on the said payment dates, 3.74%, and the variable interest rate which is set at 6 months USD LIBOR.

The M5000 and AUM loan facilities are secured by:

- First priority mortgage and charge for the benefit of KfW over the Company's fixed and floating assets pursuant to the amended and restated deed of Mortgage debenture.

- First priority security interest in the security agreement collateral as provided for and defined in the amended and restated security agreement with Deutsche Bank Trust Company Americas.

Additionally, included in the cash and cash equivalents balance is an amount of $111m designated as the Investment Reserve balance as per the Amended and Restated Security Agreement dated 30 June 2008 for the AUM and M5000 loans with the International Lender.

(expressed in U.S. dollars)

18 Asset Retirement Obligation

	2014 $000's	2013 $000's
Decommissioning costs provision:		
Acquisition of subsidiary	232,167	–
Charge to the statement of comprehensive income:		
Unwinding of discount	1,309	–
Dismantlement asset	(7,007)	–
At end of the year	226,469	–

The Group's subsidiary, Methanol Holdings (Trinidad) Limited operates eight petrochemical plants with varying useful lives. In accordance with IAS 37 a provision is recognised for the present value of costs to be incurred in the future for the decommissioning of these plants.

19 Intangible Liabilities

	Contract-Related $000's	Total $000's
At 1 January 2014	–	–
Acquisition of subsidiary (Note 5)	423,834	423,834
At 31 December 2014	423,834	423,834
Amortisation and impairment		
At 1 January 2014	–	–
Acquisition of subsidiary (Note 5)	50,073	50,073
At 31 December 2014	**50,073**	**50,073**
Net book value:		
At 31 December 2013	**–**	**–**
At 31 December 2014	**373,761**	**373,761**

	Cost $'000	Amortisation $'000	Net Book Value $000's
Current portion	132,837	(44,279)	88,558
Non-current portion	290,997	(5,794)	285,203
Total	**423,834**	**(50,073)**	**373,761**

(expressed in U.S. dollars)

19 Intangible Liabilities (continued)

Contract-related intangible liabilities relate to those acquired through the business combination (note 5).

These arise from unfavourable terms of charter hire contracts for marine vessels and one of the sales contracts of the subsidiary, Methanol Holdings (Trinidad) Limited compared to market conditions as the acquisition date.

The intangible liability on the charter hire contracts is being amortised on a straight line basis over the remaining life of each of the vessel contract. The intangible liability on the sales contract is being amortised over the remaining life of the contract ie until June 2015.

The amount amortised for the year ended 31 December 2014 of $50.073 million is included in cost of sales.

20 Trade and Other Payables

	2014 $000's	2013 $000's
Trade payables	3,754	–
Due to related parties (Note 25)	3,911	13
Interest payable	19,014	–
Accruals and other payables	130,521	108
	157,200	**121**

21 Expenses by Nature

	2014 $000's	2013 $000's
Depreciation and amortisation	51,610	–
Salaries	1,027	–
Changes in inventories	6,512	–
Raw materials and consumables used	204,245	–
Selling expenses (Note 21.1)	49,491	–
Repairs and maintenance	9,741	–
Sub-contracted labour costs	14,174	–
Land rent	553	–
Amortisation of fair value adjustments on acquisition of subsidiary	(16,197)	–
Other	19,546	3,033
Total cost of sales, general and administrative and marketing expenses	**340,702**	**3,033**
Cost of sales	327,057	–
General and administrative	13,268	3,033
Marketing	377	–
Total cost of sales, administrative and marketing expenses	**340,702**	**3,033**

(expressed in U.S. dollars)

21 Expenses by Nature (continued)

21.1 Selling Expense

	2014 $000's	2013 $000's
Storage	8,066	–
Bunker fuel	10,906	–
Charter hire	20,378	–
Port charges	5,840	–
Other expenses	4,301	–
	49,491	**–**

22 Other Income

	2014 $000's	2013 $000's
Gain on re-measurement to fair value previously held interest in MHTL on acquisition (Note 5)	268,939	–
Insurance settlement	729	–
Other	67	207
	269,735	**207**

The insurance settlement received in the current period arising from the Group's subsidiary, MHTL's claim related to an interruption in activity on one of its plants.

23 Net Finance Costs

	2014 $000's	2013 $000's
Interest on bank borrowings	(3,926)	–
Interest on notes in issue	(20,611)	–
Amortisation of fair value adjustments on acquisition	6,935	–
Other finance costs	(959)	–
Unwinding of discount (Note 18)	(1,309)	–
Net foreign exchange loss	(5,966)	–
Finance costs	**(25,836)**	**–**
Interest income	90	27
Finance income	**90**	**27**
Net finance costs	**(25,746)**	**27**

(expressed in U.S. dollars)

24 Taxation

	2014 $000's	2013 $000's
Corporation tax and green fund levy	6,670	–
Deferred taxation (Note 11)	(7,306)	–
Net taxation credit	**(636)**	**–**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2014 $000's	2013 $000's
Profit before taxation	367,977	100,405
Tax calculated at the domestic tax rates applicable to profits in the respective countries	5,843	3,447
Exempt profits/(losses)	4,049	–
Income exempt from tax	(3,185)	(3,521)
Effect of income subject to tax at 20%	(4,465)	–
Expenses not allowable for tax	38	–
Other permanent differences	3,091	–
Green fund levy	244	–
Movement in deferred tax not recognised	806	74
Deferred tax on exempt profits	716	–
Deferred tax on fair value adjustments on business combination	(7,773)	–
Net taxation credit	**(636)**	**–**

The weighted average tax rate was 2% (2013 - 3%).

Tax losses

The parent company has tax losses which are available for set off in the future against otherwise taxable income for corporation tax purposes amounted to $39.8 million (2013 - $7.5 million).

A deferred tax asset as at 31 December 2014 of $1.0 million (2013 - $0.2 million) resulting from unused tax losses has not been recognised through the deferred tax account in the parent company due to the uncertainty of its future recovery.

(expressed in U.S. dollars)

25 Related Party Transactions

The following transactions were carried out with related parties:

	2014 $000's	2013 $000's
a) Sales of goods and services		
Caribbean Petrochemical Company Limited	252,210	–
Helm AG	101,231	–
Nitrogen (2000) Unlimited	4,517	–
Process Energy (Trinidad) Limited	7	13
	357,965	**13**
b) Purchases of goods and services		
Helm Düngemittel GmbH	1,091	–
Caribbean Petrochemical Company Limited	11,632	–
Nitrogen (2000) Unlimited	1,588	–
Caribbean Nitrogen Company Limited	850	–
Proman GmbH	281	–
Proman AG (Trinidad) Limited	3,783	–
Helm AG	731	–
Process Energy (Trinidad) Limited	30	–
Industrial Plant Services Limited	14,549	–
	34,535	**–**

c) Year-end balances arising from sales/purchases of goods/services

Receivables from related parties:

Included in the trade and other receivables (note 13) are the following amounts due from related parties:

	2014 $000's	2013 $000's
Caribbean Petrochemical Company Limited	263,524	–
Helm AG	60,746	–
Methanol Holdings (International) Limited	–	17
Methanol Holdings (Trinidad) Limited	–	28
Consolidated Energy Holdings Limited	–	4
	324,270	**49**
Caribbean Petrochemical Company Limited	3,633	–
Nitrogen 2000 Unlimited	99	–
Caribbean Nitrogen Company Limited	142	–
Process Energy (Trinidad) Limited	37	13
	3,911	**13**

(expressed in U.S. dollars)

25 Related Party Transactions (continued)

	2014 $000's	2013 $000's
d) Year end balances arising from advances to related parties		
Methanol Holdings (International) Limited	30	–

i) Purchases of services

An agreement exists with the related party-Process Energy (Trinidad) Limited for the provision of financial support services for the amount of US$30,000 annually.

ii) Other income

Quarterly amounts for directors' fees and expenses are billed to the associates-Methanol Holdings (Trinidad) Limited and Methanol Holdings (International) Limited totalling US$207,000 for 2014 (2013 - $207,000).

iii) Key management compensation

The Company has no employees.

Helm AG and Caribbean Petrochemical Company Limited

The Company has supply contracts with Helm AG for the sale and distribution of methanol in the United States (US) and Europe. Helm AG has assigned to another related party, Caribbean Petrochemical Company Limited (CPC), the sale and distribution of its US volumes which represents 73.0% (2013 - 73.4%) of total sales. European volumes account for 26.8% (2013 - 26.4%) of total sales. Sales prices are derived from published market prices less certain distribution fees as stipulated in the contract. Helm AG and CPC are related parties by virtue of common shareholders.

Helm Düngemittel GmbH

The Company has supply contracts with Helm Düngemittel GmbH for the sale and distribution of UAN in the United States (US) and Europe. Helm Düngemittel has also assigned to CPC the sale and distribution of its US volumes. Sales prices are derived from published market prices less certain distribution fees. Helm Düngemittel is a related party by virtue of common shareholders.

Proman GmbH

This Company is a related party by virtue of common shareholders.

Proman AG (Trinidad) Limited

Proman AG (Trinidad) Limited is the onshore EPC contractor for the AUM project and is a related party by virtue of common shareholders.

(expressed in U.S. dollars)

25 Related Party Transactions (continued)

Industrial Plant Services Limited (IPSL)

The Company has entered into a contract with Industrial Plant Services Limited for the overall operation and maintenance of the AUM and methanol plants. In accordance with the contract the Company pays for the following services:

- Direct costs, included but not limited to employee costs and benefits, contract labour costs, repair materials, tools and equipment, office and other supplies and services as agreed by both parties in the contract.

- A quarterly fee based on production volumes at various rates along product lines.

Southern Chemical Corporation (SCC)

This Company is a related party by virtue of common shareholders.

Process Energy (Trinidad) Limited

This Company rents office space from Methanol Holdings (Trinidad) Limited and is a related party by virtue of common shareholders.

Methanol Holdings International Limited

This Company is a related party by virtue of common shareholder.

Nitrogen (2000) Unlimited

This Company is a related party by virtue of common shareholders.

Caribbean Nitrogen Company Limited

This Company is a related party by virtue of common shareholders.

On 9 October 2014 the following companies ceased to be related parties:

CL Financial Limited
Colonial Life Insurance Company (Trinidad) Limited
Caribbean Petrochemical Manufacturing Limited

(expressed in U.S. dollars)

26 Financial Instruments By Category

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

	2014 $000's	2013 $000's
Assets as per statement of financial position		
Current		
Trade and other receivables	397,616	170
Cash and cash equivalents	346,169	92
	743,785	**262**

	2014 $000's	2013 $000's
Liabilities as per statement of financial position		
Non-current		
Borrowings	1,584,222	–
Current		
Borrowings	223,484	–
Trade payables	3,754	–
Due to related parties	3,911	13
Interest payable	19,014	–
Accruals and other payables	130,521	108
	380,684	121
Total liabilities	**1,964,906**	**121**

26.1 Credit Quality Of Financial Assets

The credit quality of the financial assets that are neither past due nor impaired can be assessed by reference to historical information about the counterparty default rates:

	2014 $000's	2013 $000's
Trade Receivables		
Counterparties without external credit rating:		
Existing customers (more than 6 months) with no defaults in the past	327,153	–

27 Seasonality Of Operations

The Company's business is not characterised by seasonality. However operating results may not be evenly spread throughout the year due to a range of factors including but not limited to, petrochemical prices, which are internationally determined, and plant maintenance activities.

(expressed in U.S. dollars)

28 Commitments And Contingencies

a) Purchasing commitments

The Group's subsidiary and associates lease their manufacturing and administration sites, marine vessels and shipping facilities under lease arrangements for varying periods and have material lease commitments under the various lease agreements.

One of the Company's associates, Oman Methanol Company LLC has material outstanding purchase commitments amounting to approximately $22.7 million (2013 - $6.75 million).

b) Borrowing commitments

Consolidated Finance S.A., Methanol Holdings (Trinidad) Limited, Caribbean Nitrogen Company Limited, Nitrogen (2000) Unlimited and Oman Methanol Company LLC have material obligations in respect of borrowings. All borrowings are secured by the entities' assets among other contracted terms, including specific covenants.

c) Operating lease commitments

The Group's subsidiary and associates lease its manufacturing and administration sites, methanol and marine vessels and shipping facilities under non-cancellable lease arrangements for varying periods. As at 31 December future minimum lease payments for the Group's subsidiary are as follows:

	2014 **$000's**
Up to one year	88,655
Two to five years	361,468
Over five years	807,794
	1,257,917

d) Capital commitments

The Group's subsidiary and associates have the following capital commitments as at 31 December 2014:

- Methanol Holdings (Trinidad) Limited - $17 million (2013 - $12.8 million)
- N2000 Unlimited - $11 million (2013 - $77.6 million)

There were no capital commitments for Caribbean Nitrogen Company Limited as at 31 December 2014 (2013 - $0.3 million).

e) Sales commitments

The Group's subsidiary and associates have sales commitments for petrochemical products in accordance with contractual obligations.

f) Contingencies

- The Company's associates have contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from these contingencies.

(expressed in U.S. dollars)

28 Commitments And Contingencies (continued)

f) Contingencies (continued)

- The taxation authorities have conducted corporation tax audits of the Group's subsidiary Methanol Holdings (Trinidad) Limited and its predecessor companies in respect of several years of income. These audits are at various stages ranging from responses to proposals for material adjustments by the tax authorities (Board of Inland Revenue - BIR), objections to assessments and appeals to the Tax Appeal Board.

  Arising from these audits, material adjustments were proposed, to which Methanol Holdings (Trinidad) Limited has responded. For some of the audits, assessments were issued to which objections were filed with the BIR, challenging the assessments. Some of the audits have reached the appeal stage and Methanol Holdings (Trinidad) Limited has filed Notices of Appeal with the Tax Appeal Board challenging the assessments raised.

  Methanol Holdings (Trinidad) Limited, based on independent professional advice, estimates it is not probable that material additional liabilities in respect of the audits described above are expected to crystallise. Consolidated Energy Limited concurs with this assumption and has not recorded any provision for this matter.

- The Group's subsidiary, Methanol Holdings (Trinidad) Limited has received an assessment for US$1.4 million (principal) from the District Revenue Office (DRO) in Trinidad arising from non-payment of land and building taxes. Methanol Holdings (Trinidad) Limited has filed the necessary documents with the appropriate authorities and is awaiting the final assessment. Management is unable to estimate any potential liability as there is no legislation in place to govern land and building taxes and has not recorded any provision for this matter.

- The Board of Inland Revenue of Trinidad and Tobago (BIR) has conducted corporation tax audits of Caribbean Nitrogen Company Limited in respect of years of income 2006, 2007 and 2008. Assessments were raised by the BIR for amounts of US$9.5 million (principal), against which the company objected after obtaining external professional advice. The company is of the view it is not probable that material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.

- The Board of Inland Revenue of Trinidad and Tobago (BIR) has conducted corporation tax audits of Nitrogen (2000) Unlimited in respect of the years of income 2007, 2008, 2009, 2010 and 2011. Assessments for 2007 and 2008 were raised by the BIR for amounts of approximately US$3.7 million (principal), against which the company objected after obtaining external professional advice. The company is of the view it is not probable that material liabilities will arise in connection with the assessments and accordingly no provisions have been made for any potential liabilities which may arise.

Methanol Holdings (Trinidad) Limited

Unaudited Condensed Interim Financial Information
(Expressed in United States Dollars)

30 June 2014

Methanol Holdings (Trinidad) Limited

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Report On Review Of Unaudited Condensed Interim Financial Information

To the Shareholders of Methanol Holdings (Trinidad) Limited

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Methanol Holdings (Trinidad) Limited as of 30 June 2014 and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope Of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standards 34.

Other Matter

The comparative information for the statement of financial position as at 31 December 2013 and the related statements of comprehensive income, changes in equity and cash flows is based on the audited financial statements for the year ended 31 December 2013.

PricewaterhouseCoopers

19 September 2014
Port of Spain
Trinidad, West Indies

CB Wharfe (Senior Partner), L Awai, F Aziz Mohammed, BA Hackett, H Mohammed,
NA Panchoo, F Parsotan, SW Ramirez, A West
PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

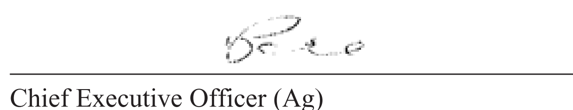
Methanol Holdings (Trinidad) Limited

Unaudited Condensed Interim Statement Of Financial Position

(Expressed in United States Dollars)

	Notes	30 June 2014 $'000	30 June 2013 $'000	31 December 2013 $'000
ASSETS				
Non-current Assets				
Property, plant and equipment	6	1,923,297	2,020,811	2,002,504
Pension asset		11,303	11,303	11,303
Deferred taxation		28,121	25,210	26,828
		1,962,721	2,057,324	2.040,635
Current Assets				
Inventories		137,733	116,948	113,869
Trade and other receivables		483,378	470,919	464,551
Taxation recoverable		5,081	395	5,129
Cash and cash equivalents		251,289	261,700	169,593
		877,481	849,962	753,142
Total Assets		**2,840,202**	**2,907,286**	**2,793,777**
EQUITY AND LIABILITIES				
Stated capital		507,212	507,212	507,212
Retained earnings		938,732	869,893	811,128
Total Equity		**1,445,944**	**1,377,105**	**1,318,340**
Non-current Liabilities				
Long-term loans	8	506,207	717,183	612,923
Deferred taxation		279,520	281,188	282,668
Asset retirement obligation		229,555	219,587	224,331
		1,015,282	1,217,958	1,119,922
Current Liabilities				
Trade and other payables		147,264	105,989	149,282
Long-term loans	8	210,975	201,600	206,233
Taxation payable		20,737	4,634	–
		378,976	312,223	355,515
Total Liabilities		**1,394,258**	**1,530,181**	**1,475,437**
Total Equity And Liabilities		**2,840,202**	**2,907,286**	**2,793,777**

The notes on pages 6 to 14 are an integral part of this condensed interim financial information.



Chief Executive Officer (Ag)

Chief Financial Officer

Methanol Holdings (Trinidad) Limited

Unaudited Condensed Interim Statement Of Comprehensive Income

(Expressed in United States Dollars)

	Note	Six Months Ended 30 June 2014 $'000	Six Months Ended 30 June 2013 $'000	Year Ended 31 December 2013 $'000
Related party sales		890,564	834,717	1,609,070
Third party sales		118	97	1,336
Gross Revenue		**890,682**	**834,814**	**1,610,406**
Cost Of Sales		**(732,947)**	**(684,098)**	**(1,416,137)**
Gross Profit		**157,735**	**150,716**	**194,269**
Other Income				
Interest income		2	5	9
Miscellaneous income	7	27,817	52	39
		27,819	57	48
Other Expenses				
Administrative		(2,275)	(2,589)	(4,564)
Marketing		(382)	(432)	(963)
		(2,657)	(3,021)	(5,527)
Operating Profit		**182,897**	**147,752**	**188,790**
Finance Costs		**(15,031)**	**(19,889)**	**(36,853)**
Profit Before Taxation		**167,866**	**127,863**	**151,937**
Taxation Charge		**(40,262)**	**(38,902)**	**(61,741)**
Profit For The Period / Year - Attributable to Owners		**127,604**	**88,961**	**90,196**
Total Comprehensive Income		**127,604**	**88,961**	**90,196**

The notes on pages 6 to 14 are an integral part of this condensed interim financial information.

Methanol Holdings (Trinidad) Limited

Unaudited Condensed Interim Statement Of Changes In Equity
(Expressed in United States Dollars)

	Six Months Ended 30 June 2014 $'000	Six Months Ended 30 June 2013 $'000	Year Ended 31 December 2013 $'000
Stated Capital			
Balance at end of period / year	507,212	507,212	507,212
Retained Earnings			
Balance at beginning of period / year	811,128	840,932	840,932
Comprehensive Income:			
Profit for the period / year	127,604	88,961	90,196
Transactions With Owners:			
Dividend	–	(60,000)	(120,000)
Balance at end of period / year	938,732	869,893	811,128
Total Shareholders' Equity	**1,445,944**	**1,377,105**	**1,318,340**

The notes on pages 6 to 14 are an integral part of this condensed interim financial information.

Methanol Holdings (Trinidad) Limited

Unaudited Condensed Interim Statement Of Cash Flows

(Expressed in United States Dollars)

	Six Months Ended 30 June		Year Ended 31 December
	2014	2013	2013
	$'000	$'000	$'000
Cash Flows From Operating Activities			
Profit before taxation	167,866	127,863	151,937
Adjustments for:			
Depreciation and amortisation	82,913	87,757	189,547
Loan interest expense	10,116	14,055	25,914
Provisions: Unwinding of discount	5,224	7,143	11,887
Operating profit before working capital changes	266,119	236,818	379,285
Increase in inventories	(23,864)	(6,737)	(3,658)
Increase in trade and other receivables	(18,827)	(45,120)	(38,752)
(Decrease) / Increase in trade and other payables	(1,721)	(5,224)	38,409
	221,707	179,737	375,284
Taxation paid	(23,918)	(38,195)	(70,540)
Net Cash Flows From Operating Activities	**197,789**	**141,542**	**304,744**
Cash Flows From Investing Activities			
Acquisition of property, plant and equipment	(3,706)	(1,361)	(84,844)
Net Cash Flows Used In Investing Activities	**(3,706)**	**(1,361)**	**(84,844)**
Cash Flows From Financing Activities			
Long-term loan repayments	(101,974)	(97,450)	(197,078)
Loan interest paid	(10,413)	(14,231)	(26,430)
Dividends paid	–	(60,000)	(120,000)
Net Cash Flows Used In Financing Activities	**(112,387)**	**(171,681)**	**(343,507)**
Net Increase / (Decrease) In Cash And Cash Equivalents	**81,696**	**(31,500)**	**(123,607)**
Cash And Cash Equivalents			
At beginning of period/year	169,593	293,200	293,200
Net increase / (decrease) in cash and cash equivalents	81,696	(31,500)	(123,607)
At end of period / year	**251,289**	**261,700**	**169,593**

The notes on pages 6 to 14 are an integral part of this condensed interim financial information.

1 General Information

The Company was incorporated on 17 November, 1997 in the Republic of Trinidad & Tobago and commenced operations on 1 October 1999. The address of its registered office is Atlantic Avenue, Point Lisas Industrial Estate and its ultimate parent is CL Financial Limited. The Company is primarily engaged in the manufacture and sale of methanol, UAN and Melamine through marketing agents in the United States and Europe, and operates five methanol plants as well as an Ammonia plant, a UREA solution plant, a UREA Ammonium Nitrate plant and two Melamine plants.

This condensed interim financial information was approved for issue by the management of Methanol Holdings (Trinidad) Limited on 18 August 2014. This condensed interim financial information has not been audited.

2 Basis of preparation

This condensed interim financial information for the six months ended 30 June 2014 and the comparative information for 30 June 2013, have been prepared in accordance with International Accounting Standard 34,'1nterim Financial Reporting'. The condensed interim financial information should be read in conjunction with the annual audited financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

3 Accounting Policies

The accounting policies applied are consistent with those of the audited financial statements for the year ended 31 December 2013 except as described below.

(i) New and amended standards adopted by the company

The following standards and amendments are effective for accounting periods beginning on or after 1 January 2014 but are either not relevant or had no impact on these financial statements:

- Amendments to IFRS 10, 'Consolidated Financial Statements', IFRS 12, 'Disclosure of Interests in Other Entities' and IAS 27, 'Separate Financial Statements'. The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27;

- Amendments to IAS 32, 'Financial Instruments: Presentation' for offsetting financial assets and financial liabilities. These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the IAS 32 offsetting criteria to settlement systems which apply gross settlement mechanisms that are not simultaneous;

- Amendments to IAS 36, 'Impairment of Assets' on recoverable amount disclosures. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal;

- Amendments to IAS 39, 'Financial Instruments: Recognition and Measurement 'Novation of derivatives'. This amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counter party meets specified criteria; and

3 Accounting Policies (continued)

(i) New and amended standards adopted by the company (continued)

- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised.

(ii) Standards and interpretations not yet effective and not early adopted

New standards and amendments to standards and interpretations that are not yet effective and have not been applied in preparing the interim financial information are set out below.

- IFRS 9, 'Financial instruments', effective for financial periods beginning on or after 1 January 2015, addressed the classification, measurement and recognition of financial assets and financial liabilities. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

  This is not expected to impact the condensed interim financial information.

- IFRS 15 Revenue from Contracts with Customers is effective for annual periods beginning on or after 1 January 2017 and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

  The company has not early adopted this standard and it is not expected to have any impact on these condensed interim financial information.

4 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 condensed interim financial information 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 2013. 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.

5 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.

5 Critical Accounting Estimates And Judgements (continued)

In preparing this condensed interim 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 2013.

6 Property, Plant And Equipment

At 1 January 2013 Audited	Cost $'000	Accumulated Depreciation $'000	Net book Amount $'000
Leasehold land and buildings	27,815	(19,817)	7,998
Plant and machinery	3,217,640	(1,210,704)	2,006,936
Turnaround cost	95,733	(83,361)	12,372
Work in progress	1,446	–	1,446
Furniture and equipment	13,325	(9,703)	3,622
Dismantlement asset	135,544	(60,711)	74,833
	3,491,503	**(1,384,296)**	**2,107,207**

Year Ended 31 December 2013 Audited	Opening Net book Amount $'000	Additions $'000	Adjustments $'000	Depreciation Charge $'000	Closing Net book Amount $'000
Leasehold land and buildings	7,998	434	–	(1,347)	7,085
Plant and machinery	2,006,936	38,009	–	(162,544)	1,882,401
Turnaround cost	12,372	45,595	–	(14,650)	43,317
Work in progress	1,446	–	(132)	–	1,314
Furniture and equipment	3,622	1,089	(151)	(831)	3,729
Dismantlement asset	74,833	–	–	(10,175)	64,658
	2,107,207	**85,127**	**(283)**	**(189,547)**	**2,002,504**

At 31 December 2013 Audited	Cost $'000	Accumulated Depreciation $'000	Net book Amount $'000
Leasehold land and buildings	28,249	(21,164)	7,085
Plant and machinery	3,240,114	(1,357,713)	1,882,401
Turnaround cost	141,328	(98,011)	43,317
Work in progress	1,314	–	1,314
Furniture and equipment	14,142	(10,413)	3,729
Dismantlement asset	135,544	(70,886)	64,658
	3,560,691	**(1,558,187)**	**2,002,504**

6 Property, Plant And Equipment (continued)

Period Ended 30 June 2013 Unaudited	Opening Net book Amount $'000	Additions $'000	Adjustments $'000	Depreciation Charge $'000	Closing Net book Amount $'000
Leasehold land and buildings	7,998	291	–	(728)	7,561
Plant and machinery	2,006,936	466	–	(75,829)	1,931,573
Turnaround cost	12,372	434	–	(6,818)	5,988
Work in progress	1,446	–	(216)	–	1,230
Furniture and equipment	3,622	537	(151)	(415)	3,593
Dismantlement asset	74,833	–	–	(3,967)	70,866
	2,107,207	**1,728**	**(367)**	**(87,757)**	**2,020,811**

At 30 June 2013 Unaudited	Cost $'000	Accumulated Depreciation $'000	Net book Amount $'000
Leasehold land and buildings	28,106	(20,545)	7,561
Plant and machinery	3,218,106	(1,286,533)	1,931,573
Turnaround cost	96,167	(90,179)	5,988
Work in progress	1,230	–	1,230
Furniture and equipment	13,590	(9,997)	3,593
Dismantlement asset	135,544	(64,678)	70,866
	3,492,743	(1,471,932)	2,020,811

Period Ended 30 June 2014 Unaudited	Opening Net book Amount $'000	Additions $'000	Depreciation Charge $'000	Closing Net book Amount $'000
Leasehold land and buildings	7,085	135	(509)	6,711
Plant and machinery	1,882,401	2,110	(72,012)	1,812,499
Turnaround cost	43,317	1,081	(6,240)	38,158
Work in progress	1,314	4	–	1,318
Furniture and equipment	3,729	376	(417)	3,688
Dismantlement asset	64,658	–	(3,735)	60,923
	2,002,504	**3,706**	**(82,913)**	**1,923,297**

At 30 June 2014 Unaudited	Cost $'000	Accumulated Depreciation $'000	Net book Amount $'000
Leasehold land and buildings	28,384	(21,673)	6,711
Plant and machinery	3,242,224	(1,429,725)	1,812,499
Turnaround cost	142,409	(104,251)	38,158
Work in progress	1,318	–	1,318
Furniture and equipment	14,518	(10,830)	3,688
Dismantlement asset	135,544	(74,621)	60,923
	3,564,397	**(1,641,100)**	**1,923,297**

7 Miscellaneous Income

Included in miscellaneous income is the insurance settlement received in the current period arising from the Company's claim related to an interruption in activity on one of its plants.

8 Long-Term Loans

	30 June 2014 $'000	30 June 2013 $'000	31 December 2013 $'000
M5000 loan	78,200	117,300	97,750
AUM loan	638,982	801,483	721,406
Total long-term loans	717,182	918,783	819,156
Less: Current maturities	(210,975)	(201,600)	(206,233)
Non current maturities	**506,207**	**717,183**	**612,923**
The maturity of non-current borrowings is as follows:			
Between 1 and 2 years	221,005	210,975	215,910
Between 2 and 5 years	285,202	506,208	397,013
	506,207	**717,183**	**612,923**

M5000 loan

On 16 December 2002 the Company executed two loan agreements with KFW IPEX – Bank (KfW) for the maximum principal amounts of $391,000,000 (loan #10293) and $59,000,000 (loan #10292) respectively.

These loans were used to finance the construction of the M5000 plant and the interest thereon during construction. These loans are repayable in 20 and 10 semi annual instalments respectively which commenced on 31 October 2006. The total actual drawdowns on these loans amounted to $438,572,249. Loan #10292 was repaid in 2011.

During the period of drawdown the Company exercised its right to fix the interest rate under both loan agreements totalling $423,118,256 at rates ranging from 5.10% - 5.92%. Interest is charged at London Interbank Offered Rate (LIBOR) plus 1% per annum on the remaining portion drawn down.

AUM loan

On 12 July 2006 the Company executed two loan agreements with KfW for the aggregate principal amounts not exceeding $993,840,000 (loan# 12701) and $248,460,000 (loan #12700) respectively. These loans were used to finance the construction of the AUM project, comprising an Ammonia plant, a UREA solution plant, a UREA Ammonium Nitrate plant and two Melamine plants. On 11 June, 2007 by mutual consent the aggregate principal amount on loan #12701 was reduced to $855,557,336. On 19 June 2008 the Company executed an additional loan with KfW for the aggregate principal amount not exceeding $200,000,000 (loan 23148) which was used in connection with the AUM Project.

8 Long-Term Loans (continued)

AUM loan (continued)

- **Loan #12701**

  Except for the partial loan amount of $220,000,000, interest is charged at 6 months USD LIBOR plus a margin of 0.4% per annum. Subject to certain conditions, interest on the amount of $220,000,000 is charged at CIRR determined to be 5.55% per annum. This loan is payable in 17 semi annual instalments which commenced on 30 June 2010.

- **Loan #12700**

  Interest is charged at 6 months USD LIBOR plus a margin of 0.9% per annum. This loan is payable in 14 semi annual instalments which commenced on 30 June 2010.

- **Loan #23148**

  Interest is charged on the basis of the Reference Interest Rate plus a margin of 1.3% per annum. This loan is payable in 14 semi-annual instalments which commenced on 30 June 2010. The Company has entered into a floating – to – fixed interest rate swap with KfW to hedge against the interest rate risk on the additional $200 million loan. The effect of this is that the actual interest rate will be the lower of the fixed rate payable by the Company on the said payment dates, 3.74%, and the variable interest rate which is set at 6 months USD LIBOR.

The M5000 and AUM loan facilities are secured by:

- First priority mortgage and charge for the benefit of KfW over the Company's fixed and floating assets pursuant to the amended and restated deed of Mortgage debenture.

- First priority security interest in the security agreement collateral as provided for and defined in the amended and restated security agreement with Deutsche Bank Trust Company Americas.

Additionally, included in the cash and cash equivalents balance is an amount of $109m designated as the Investment Reserve balance as per the Amended and Restated Security Agreement dated 30 June 2008 for the AUM and M5000 loans with the International Lender.

9 Related Party Transactions

	30 June 2014 $'000	30 June 2013 $'000	31 December 2013 $'000
Receivables from related parties			
- Caribbean Petrochemical Company Limited	330,359	314,957	292,096
- Helm AG	89,089	69,047	76,392
- Helm Düngemittel GmbH	–	12,279	19,585
- Caribbean Petrochemical Manufacturing Limited	726	609	708
	420,174	396,892	388,781
Payables to related parties			
- Caribbean Petrochemical Company Limited	–	12	4,074
- Nitrogen 2000 Unlimited	115	19	–
- Caribbean Nitrogen Company Limited	351	215	–
- Helm Düngemittel GmbH	–	–	10,193
- Consolidated Energy Limited	44	–	–
	510	246	14 267

These balances related to normal trading transactions as described in the following notes and are expected to be settled within 12 months of the statement of financial position date.

Helm AG and Caribbean Petrochemical Company Limited

The Company has supply contracts with Helm AG for the sale and distribution of methanol in the United States (US) and Europe. Helm AG has assigned to another related party, Caribbean Petrochemical Company Limited (CPC), the sale and distribution of its US volumes. Sales prices are derived from published market prices less certain distribution fees as stipulated in the contracts. Helm AG and CPC are related parties by virtue of common shareholders.

Helm Düngemittel GmbH

The Company has supply contracts with Helm Düngemittel GmbH for the sale and distribution of UAN in the United States (US) and Europe. Helm Düngemittel has also assigned to CPC the sale and distribution of its US volumes. Sales prices are derived from published market prices less certain distribution fees. Helm Düngemittel is a related party by virtue of common shareholders.

CL Financial Limited

This Company is the ultimate parent of Methanol Holdings (Trinidad) Limited.

Colonial Life Insurance Company (Trinidad) Limited

This Company is the largest shareholder of Methanol Holdings (Trinidad) Limited.

Proman GmbH

This Company is a related party by virtue of common shareholders.

9 Related Party Transactions (continued)

Proman AG (Trinidad) Limited

Proman AG (Trinidad) Limited is the onshore EPC contractor for the AUM project and is a related party by virtue of common shareholders.

Industrial Plant Services Limited (IPSL)

The Company has entered into a contract with Industrial Plant Services Limited for the overall operation and maintenance of the AUM and methanol plants. In accordance with the contract the Company pays for the following services:

- Direct costs, included but not limited to employee costs and benefits, contract labour costs, repair materials, tools and equipment, office and other supplies and services as agreed by both parties in the contract.
- A quarterly fee based on production volumes at various rates along product lines.

Methanol Holdings International Limited

This Company is an affiliate of Colonial Life Insurance Company (Trinidad) Limited, CL Financial Limited and Consolidated Energy Limited.

Nitrogen (2000) Unlimited

The Company is a related party by virtue of common shareholders and MHTL may sell ammonia to them from time to time if required.

Caribbean Nitrogen Company Limited

The Company is a related party by virtue of common shareholders.

Caribbean Petrochemical Manufacturing Limited

The Company is a related party by virtue of common shareholders.

10 Contingencies

- The Board of Inland Revenue (BIR) has conducted audits in respect of fiscal years 2005 - 2007 of the Company and has proposed significant adjustments which if successful will result in significant additional taxes. For fiscal year 2005 the Company has filed notice of appeal with the Tax Appeal Board challenging the additional assessments raised. The Company has filed with the BIR its objections to the said proposals for fiscal years 2006 and 2007. Management is satisfied that no material liabilities in respect of the matters are probable.
- The Board of Inland Revenue (BIR) has conducted audits in respect of fiscal years 1993 and 1996 - 2004 of the former subsidiary Trinidad and Tobago Methanol Company Limited (TTMC). For fiscal years 1993, 1996 - 1998 and 2000 - 2004 the Company has filed notices of appeal with the Tax Appeal Board challenging the additional assessments raised. For fiscal year 1999 the Company has reached agreement with the Board. Management is satisfied that no material liabilities in respect of the matters are probable.

10 Contingencies (continued)

- The Board of Inland Revenue (BIR) has conducted audits in respect of fiscal years 1998 - 2004 of the former subsidiary Caribbean Methanol Company Limited (CMC). Fiscal year 1998 which was under appeal is now closed, the Company being successful in its actions. For fiscal years 1999 - 2004 the Company has filed notices of appeal with the tax appeal board challenging the additional assessments raised. Management is satisfied that no material liabilities in respect of the matters are probable.

- The Board of Inland Revenue (BIR) has conducted audits in respect of fiscal years 1999 - 2004 of the former subsidiary Methanol IV Company Limited (MIV). For fiscal years 1999 - 2004 the Company has filed notices of appeal with the tax appeal board challenging the additional assessments raised. The Company is satisfied that no material liabilities in respect of the matters are probable.

- The Company may be liable for significant additional land and building taxes with respect to fiscal years 2005 - 2009. The Company has filed the necessary documents with the appropriate authorities and is awaiting the final outcome. Management cannot make any estimate of the liability due to the absence of the local legislation which governs the rates to be charged.

11 Capital Commitments

Capital commitments at the end of the period totalled $11 million and related to commitments for upcoming turnarounds.

12 Seasonality Of Operations

The Company’s business is not characterised by seasonality. However operating results may not be evenly spread throughout the year due to a range of factors including but not limited to, petrochemical prices, which are internationally determined, and plant maintenance activities.

13 Subsequent Events

On 24 August 2014, the ICC Arbitral Tribunal ruled that Clico Insurance Company (Trinidad) Limited (CLICO) and CL Financial Limited (CLF) must offer their combined interest of 56.53% in Methanol Holdings (Trinidad) Limited to Consolidated Energy Limited at an aggregated price of US $1,175m within 14 days of receipt of the Tribunal’s Award by CLICO and CLF (which was 11 September 2014). Consolidated Energy Limited must respond within 10 days of receipt of the offer. If Consolidated Energy Limited elects to accept the offer, the closing date is within 60 days after Consolidated Energy Limited’s acceptance is delivered.

Consolidated Energy Finance S.A.

Société Anonyme

R.C.S. Luxembourg: B 188.543

ANNUAL ACCOUNTS

AND

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

December 31, 2016

Consolidated Energy Finance S.A.
Société Anonyme
R.C.S. Luxembourg B 188.543
NOTES TO THE ANNUAL ACCOUNTS
December 31, 2016
(in USD)

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Ernst & Young
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Independent auditor's report

To the Board of Directors of
Consolidated Energy Finance S.A.
163, rue de Kiem
L-8030 Strassen

Report on the annual accounts

Following our appointment by the Board of Directors, we have audited the accompanying annual accounts of Consolidated Energy Finance S.A., which comprise the balance sheet as at 31 December 2016 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report (Continued)

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Consolidated Energy Finance S.A. as of 31 December 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Werner Weynand

Luxembourg, 18 May 2017

Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

BALANCE SHEET
Financial year from $_{01}$ 01/01/2016 to $_{02}$ 31/12/2016 *(in* $_{03}$ **USD***)*

		Reference(s)		Current year		Previous year
ASSETS						
A. Subscribed capital unpaid	1101		101		102	
I. Subscribed capital not called	1103		103		104	
II. Subscribed capital called but unpaid	1105		105		106	
B. Formation expenses	1107	Note 3	107	26.939.869,65	108	36.677.172,21
C. Fixed assets	1109	Note 4	109	1.210.313.488,00	110	1.190.813.488,00
I. Intangible assets	1111		111		112	
1. Costs of development	1113		113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		115		116	
a) acquired for valuable consideration and need not be shown under C.I.3	1117		117		118	
b) created by the undertaking itself	1119		119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		121		122	
4. Payments on account and intangible assets under development	1123		123		124	
II. Tangible assets	1125		125		126	
1. Land and buildings	1127		127		128	
2. Plant and machinery	1129		129		130	
3. Other fixtures and fittings, tools and equipment	1131		131		132	
4. Payments on account and tangible assets in the course of construction	1133		133		134	
III. Financial assets	1135		135	1.210.313.488,00	136	1.190.813.488,00
1. Shares in affiliated undertakings	1137		137		138	
2. Loans to affiliated undertakings	1139		139	1.210.313.488,00	140	1.190.813.488,00
3. Participating Interests	1!41		141		142	
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		143		144	

The notes in the annex form an integral part of the annual accounts

Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

BALANCE SHEET (Continued)

Financial year from 01 01/01/2016 to 02 31/12/2016 *(in* **03 USD***)*

		Reference(s)		Current year		Previous year
5. Investments held as fixed assets	1145		145		146	
6. Other loans	1147		147		148	
D. Current assets	1151		151	26.753.921,12	152	146.281.628,26
I. Stocks	1153		153		154	
1. Raw materials and consumables	1155		155		156	
2. Work in progress	1157		157		158	
3. Finished goods and goods for resale	1159		159		160	
4. Payments on account	1161		161		162	
II. Debtors	1163		163	19.942.738,31	164	130.588.532,24
1. Trade debtors	1165		165		166	
a) becoming due and payable within one year	1167		167		168	
b) becoming due and payable after more than one year	1169		169		170	
2. Amounts owed by affiliated undertakings	1171	Note 4	171	19.888.465,34	172	19.329.140,34
a) becoming due and payable within one year	1173		173	19.888.465,34	174	19.329.140,34
b) becoming due and payable after more than one year	1175		175		176	
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	Note 5	177	0,00	178	111.214.600,00
a) becoming due and payable within one year	1179		179	0,00	180	111.214.600,00
b) becoming due and payable after more than one year	1181		181		182	
4. Other debtors	1183		183	54.272,97	184	44.791,90
a) becoming due and payable within one year	1185		185	54.272,97	186	44.791,90
b) becoming due and payable after more than one year	1187		187		188	

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Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

BALANCE SHEET (Continued)

Financial year from $_{01}$ 01/01/2016 to $_{02}$ 31/12/2016 *(in* $_{03}$ USD*)*

		Reference(s)		Current year		Previous year
III. Investments	1189		189		190	
1. Shares in affiliated undertakings	1191		191		192	
2. Own shares	1209		209		210	
3. Other Investments	1195		195		196	
IV. Cash at bank and in hand	1197		197	6.811.182,81	198	15.693.096,02
E. Prepayments	1199	Note 6	199	5.823.350,01	200	7.923.350,01
TOTAL (ASSETS)			201	**1.269.830.628,78**	**202**	**1.381.695.638,48**

The notes in the annex form an integral part of the annual accounts

Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

BALANCE SHEET (Continued)

Financial year from $_{01}$ 01/01/2016 to $_{02}$ 31/12/2016 *(in* $_{03}$ USD*)*

		Reference(s)		Current year		Previous year
CAPITAL, RESERVES AND LIABILITIES						
A. Capital and reserves	1301	Note *7*	301	2.582.177,33	302	3.517.474,27
I. Subscribed capital	1303		303	2.720.000,00	304	2.720.000,00
II. Share premium account	1305		305		306	
III. Revaluation reserve	1307		307		308	
IV. Reserves	1309		309	39.873,71	310	8.255,20
1. Legal reserve	1311		311	39.873,71	312	8.255,20
2. Reserve for own shares	1313		313		314	
3. Reserves provided for by the articles of association	1315		315		316	
4. Other reserves, including the fair value reserve	1429		429		430	
a) other available reserves	1431		431		432	
b) other non available reserves	1433		433		434	
V. Profit or loss brought forward	1319		319	757.600,56	320	156.848,79
VI. Profit or loss for the financial year	1321		321	(935.296,94)	322	632.370,28
VII. Interim dividends	1323		323		324	
VIII. Capital investment subsidies	1325		325		326	
B. Provisions	1331		331		332	
1. Provisions for pensions and similar obligations	1333		333		334	
2. Provisions for taxation	1335		335		336	
3. Other provisions	1337		337		338	
C. Creditors	1435	Note 8	435	1.267.248.451,45	436	1.378.178.164,21
1. Debenture loans	1437		437	1.266.860.500,00	438	1.256.618.050,00
a) Convertible loans	1439		439		440	
i) becoming due and payable within one year	1441		441		442	
ii) becoming due and payable after more than one year	1443		443		444	
b) Non convertible loans	1445		445	1.266.860.500,00	446	1.266.618.050,00
i) becoming due and payable within one year	1447		447	16.860.500,00	448	16.618.050,00
ii) becoming due and payable after more than one year	1449		449	1.250.000.000,00	450	1.250.000.000,00

The notes in the annex form an integral part of the annual accounts

Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

BALANCE SHEET (Continued)

Financial year from $_{01}$ 01/01/2016 to $_{02}$ 31/12/2016 *(in* $_{03}$ USD*)*

	Reference(s)		Current year		Previous year
2. Amounts owed to credit institutions	1355	355		356	
a) becoming due and payable within one year	1357	357		358	
b) becoming due and payable after more than one year	1359	359		360	
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361	361		362	
a) becoming due and payable within one year	1363	363		364	
b) becoming due and payable after more than one year	1365	365		366	
4. Trade creditors	1367	367	47.425,36	368	49.272,20
a) becoming due and payable within one year	1369	369	47.425,36	370	49.272,20
b) becoming due and payable after more than one year	1371	371		372	
5. Bills of exchange payable	1373	373		374	
a) becoming due and payable within one year	1375	375		376	
b) becoming due and payable after more than one year	1377	377		378	
6. Amounts owed to affiliated undertakings	1379	379	0,00	380	111.166.962,50
a) becoming due and payable within one year	1381	381	0,00	382	111.l66.962,50
b) becoming due and payable after more than one year	1383	383		384	

The notes in the annex form an integral part of the annual accounts

Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

BALANCE SHEET (Continued)
Financial year from $_{01}$ 01/01/2016 to $_{02}$ 31/12/2016 *(in $_{03}$ USD)*

	Reference(s)		Current year		Previous year
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385		386	
a) becoming due and payable within one year	1387	387		388	
b) becoming due and payable after more than one year	1389	389		390	
8. Other creditors	1451	451	340.526,09	452	343.879,51
a) Tax authorities	1393	393	340.526,09	394	343.879,51
b) Social security authorities	1395	395		396	
c) Other creditors	1397	397		398	
i) becoming due and payable within one year	1399	399		400	
ii) becoming due and payable after more than one year	1401	401		402	
D. Deferred income	1403	403		404	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	**1.269.830.628,78**	**406**	**1.381.695.638,48**

The notes in the annex form an integral part of the annual accounts

Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

PROFIT AND LOSS ACCOUNT
Financial year from $_{01}$ 01/01/2016 to $_{02}$ 31/12/2016 *(in $_{03}$* USD*)*

		Reference(s)		Current year		Previous year
PROFIT AND LOSS ACCOUNT						
1. Net turnover	1701		701		702	
2. Variation in stocks of finished goods and in work in progress	1703		703		704	
3. Work performed by the undertaking for its own purposes and capitalised	1705		705		706	
4. Other operating Income	1713		713		714	
5. Raw materials and consumables and other external expenses	1671		671	(2.341.458,38)	672	(153.905,28)
a) Raw materials and consumables	1601		601		602	
b) Other external expenses	1603		603	(2.341.468,38)	604	(153.905,28)
6. Staff costs	1605		605		606	
a) Wages and salaries	1602		602		608	
b) Social security costs	1608		609		610	
i) relating to pensions	1653		653		654	
ii) other social security costs	1655		655		656	
c) Other staff costs	2613		613		614	
7. Value adjustments	2657		657	(11.837.302,56)	658	(11.812.541,24)
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	Note 3	659	(9.737.302,56)	660	(9.718.374,58)
b) in respect of current assets	1651	Note 6	651	(2.100.000,00)	652	(2.094.166,66)
8. Other operating expenses	1621		621	0,00	622	(3.026,91)
9. Income from participating interests	1715		715		716	
a) derived from affiliated undertakings	1717		717		718	
b) other income from participating interests	1719		719		720	
10. Income from other investments and loans forming part of the fixed assets	1721		721	92.534.916,64	722	91.184.547,41
a) derived from affiliated undertakings	1723		723	92.534.916,64	724	91.184.547,41
b) other income not included under a)	1725		725		726	

The notes in the annex form an integral part of the annual accounts

Consolidated Energy Finance S.A.
163, rue du Kiem
L-8030 Strassen

PROFIT AND LOSS ACCOUNT (Continued)
Financial year from $_{01}$ 01/01/2016 to $_{02}$ 31/12/2016 *(in* $_{03}$**USD***)*

	Reference(s)		Current year		Previous year
1l. Other interest receivable and similar income	1727	727	460.883,80	728	225.665,20
a) derived from affiliated undertakings	1729	729	457.625,00	730	214.600,00
b) other interest and similar income	1731	731	3.258,80	732	11.065,20
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663		664	
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665		666	
14. Interest payable and similar expenses	1627	627	(79.748.831,71)	628	(78.539.702,07)
a) concerning affiliated undertakings	1629	629	(362.282,50)	630	(166.962,50)
b) other interest and similar expenses	1631	631	(79.386.549,21)	632	(78.372.739,57)
15. Tax on profit or loss	1635	635	0,00	636	(268.596,64)
16. Profit or loss after taxation	1667	667	(931.802,21)	668	632.440,47
17. Other taxes not shown under items 1 to 16	1637	637	(3.494,73)	638	(70,19)
18. Profit or loss for the financial year	1669	669	(935.296,94)	670	632.370,28

The notes in the annex form an integral part of the annual accounts

NOTE 1 - GENERAL

Consolidated Energy Finance S.A. (the "Company") is a "Société Anonyme" incorporated under the laws of Luxembourg on July 3, 2014. The registered office of the Company is established at 163 Rue du Kiem, L-8030 Strassen and the Company is registered with the Luxembourg Trade and Companies Register under number B 188.543.

The object of the Company is the holding of participations, in any form whatsoever, in other Luxembourg or foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio. The Company may also hold interests in partnerships.

The Company may borrow in any form. It may enter into a type of loan agreement and it may issue notes, bonds, debentures, certificates, shares, beneficiary parts, warrants and any kind of debt or equity securities including under one or more issue programmes. The Company may lend funds including the proceeds of any borrowings *and for* issues of securities to its subsidiaries, affiliated companies or to any other company.

In a general way it may grant assistance to affiliated companies, take any controlling and supervisory measures and carry out any operation, which it may deem useful in the accomplishment and development of its purposes.

The Company's accounts are included in the consolidated accounts of Consolidated Energy Limited, having its registered office at Suite 2, Berne Building, The Courtyard, Hastings, Christ Church BB15156, Barbados WI.

The financial year begins on January 1st and ends on December 31st each year.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements as set out in the Law of August 10, 1915 on commercial companies, Law of December 19, 2002 and Grand Ducal Regulation of December 18, 2015.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting policies

The main valuation rules applied by the Company are the following:

Formation expenses

Formation expenses are valued at cost and are depreciated over a period of 5 years on a straight line basis.

Financial assets

Financial assets are recorded at their nominal value. Value adjustments are recorded at the end of the financial year if the net realisable value assessed by the Board of Directors is lower than the nominal value. Such value adjustments are not maintained if the reasons they were recorded for, have ceased to exist.

Debtors

Debtors are recorded at their nominal value. Value adjustments are recorded at the end of the financial year if the net realisable value assessed by the Board of Directors is lower than the nominal value. Such value adjustments are not maintained if the reasons they were recorded for, have ceased to exist.

Foreign currency translation

Transactions expressed in currencies other than United States Dollars (USD) are translated into USD at the exchange rate effective at the time of the transaction.

Long-term assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date.

The exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation. Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealized losses are recorded in the profit and loss account and the net unrealised exchange gains are not recognised.

Prepayments

This asset item includes expenditures incurred during a previous or the current financial year but relating to a subsequent financial year.

Provision for taxation

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Other creditors – Tax authorities". The advance payments are shown in the assets of the balance sheet under the "Other debtors" item.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

In the event, loans are acquired at a discount, the difference between the acquisition cost and the principal amount is initially recorded as prepayments and then amortized on a straight line basis over the period remaining until maturity.

NOTE 3 - FORMATION EXPENSES

The movements on the formation expenses are as follows:

	2016 USD	2015 USD
Cost at the beginning of the year	**48,686,512,00**	**48,514,557,00**
Additions	–	171,955,00
Disposals	–	–
Cost at the end of the year	**48,686,512,00**	**48,686,512,00**
Value adjustments at the beginning of the year	**(12,009,339,79)**	**(2,290,965,21)**
Value adjustments of the year	(9,737,302,56)	(9,718,374,58)
Value adjustments at the end of the year	**(21,746,642,35)**	**(12,009,339,79)**
Net book value at the end of the year	**26,939,869,65**	**36,677,172,21**

The formation expenses comprise expenses incurred for the issuance of the Notes on October 7, 2014 and are amortized from this date (refer to Note 8) over a period of 5 years.

NOTE 4 - LOANS TO AFFILIATED UNDERTAKINGS

The movements on the financial assets are as follows:

	2016 USD	2015 USD
Nominal value at the beginning of the year	**1,190,813,488.00**	**1,210,875,000.00**
Additions	19,500,000.00	–
Disposals	–	(20,061,512.00)
Nominal value at the end of the year	**1,210,313,488.00**	**1,190,813,488.00**
Value adjustments at the beginning of the year	**–**	**–**
Value adjustments of the year	–	–
Value adjustments at the end of the year	**–**	**–**
Net book value at the end of the year	**1,210,313,488.00**	**1,190,813,488.00**

The movements on the amounts owed by affiliated undertakings are as follows:

	Within one year	After one year and within five years	After more than five years	Total 2016	Total 2015
Interest on Fixed Rate Notes	17,637,190,34	–	–	17,637,190,34	17,637,190,34
Interest on Floating Rate Notes	1,934,400,00	–	–	1,934,400,00	1,691,950,00
Interest on the shareholder loan advance	316,875,00	–	–	316,875,00	–
Total	**19,888,465,34**	**–**	**–**	**19,888,465,34**	**19,329,140,34**

On October 7, 2014, the Company entered into a Fixed Rate Notes Proceeds Loan Agreement amounting to USD 1.010.875.000,00 with its parent company. The loan bears interest at a rate of 8,4319% and matures on October 15, 2019. The interests are payable on a semi-annual basis. As at December 31, 2016, the principal amounted to USD 990.813.488,00 (2015: USD 990.813.488,00) and the accrued interest thereon amounted to USD 17.637.190,34 (2015: USD 17.637.190,34).

On October 7, 2014, the Company entered into a Floating Rate Notes Proceeds Loan Agreement amounting to USD 200.000.000,00 with its parent company. The loan has variable yield at a rate per annum, reset quarterly, equal to LIBOR + 3,5% and matures on October 15, 2019. The interests are payable on a quarterly basis. As at December 31, 2016, the principal amounted to USD 200.000.000,00 (2015: USD 200.000.000,00) and the accrued interest thereon amounted to USD 1.934.400,00 (2015: USD 1.691.950,00).

On June 16 2016, the Company has granted an advance of USD 19.500.000,00 to its sole shareholder. The loan duration has been fixed for an indefinite period and bears an interest of 3.00% per annum. As at December 31,2016, the principal amounted to USD 19.500.000,00 (2015: nil) and the accrued interest thereon amounted to USD 316.875,00 (2015: nil).

NOTE 5 - DEBTORS - AMOUNTS OWED BY UNDERTAKINGS WITH WHICH THE UNDERTAKING IS LINKED BY VIRTUE OF PARTICIPATING INTERESTS

As per a promissory note dated November 4, 2015, the Company has granted the amount of USD 111.000.000,00 to the company G2X Energy, Inc, a sister company (the "G2X"). The loan matures on May 2, 2016 with possibility of earlier repayment at the request of the Company. The loan bears an interest of 1,2% per annum. As at April 28, 2016, the total amount of USD 111.651.200,00 composed of USD 111.000.000,00 of principal and USD 651.200,00 of current interest has been paid to the Company. The interest income amounted to USD 436.600,00 for the period from January 1, 2016 to April 27, 2016 (2015: 214.600,00).

On February 3, 2016, the Company has granted the amount of USD 2.850.000,00 to G2X according to a second promissory note. The loan matured on May 2, 2016. The loan bore an interest of 1.2% per annum. The loan has been repaid to the Company with the accrued interest of USD 8.075,00 on Apri128, 2016.

On March 1, 2016, the Company has granted the amount of USD 6.000.000,00 to G2X according to a third promissory note. The loan matured on May 2, 2016 with possibility of earlier repayment at the request of the Company. The loan bore an interest of 1.2% per annum. The !oan has been repaid to the Company with the accrued interest of USD 11.600,00 on April 28, 2016.

On April13, 2016, the Company has granted the amount of USD 2.700.000,00 to G2X according to a fourth promissory note. The loan matured on May 2, 2016. The loan bore an interest of 1.2% per annum. The loan has been repaid to the Company with the accrued interest of USD 1.350,00 on Apri128, 2016.

NOTE 6 - PREPAYMENTS

As of the date of issuance of the Fixed Rate Senior Notes amounting to USD 1.050.000.000,00 (refer to Note 8), a discount of 1% amounting to USD 10.500.000,00 was granted by the Company.
The discount is amortized over a period of 5 years on a straight line basis.

As at December 31, 2016, the amortization of the discount amounted to USD 4.689.999,99 (2015: USD 2.589.999,99) and the net book value of the discount amounted to USD 5.810.000,01 (2015: USD 7.910.000,01). The item Prepayments also includes deferred charges relating to the financial year 2017 and amounted to USD 13.350,00 (December 31, 2015: USD 13.350,00).

NOTE 7 - CAPITAL AND RESERVES

a) Movements

	Subscribed capital USD	Legal reserve USD	Profit or loss brought forward USD	Profit or loss for the financial year USD	Total USD
At the beginning of the year	2,720,000,00	8,255,20	156,848,79	632,370,28	3,517,474,27
Allocation of the result for the financial year ended December 31, 2015	–	31,618,51	600,751,77	(632,370,28)	–
Result for the financial year ended December 31,2016	–	–	–	(935,296,94)	(935,296,94)
As at December 31,2016	**2,720,000,00**	**39,873,71**	**757,600,56**	**(935,296,94)**	**2,582,177,33**

NOTE 7 - CAPITAL AND RESERVES (continued)

b) Subscribed capital

The Company was incorporated on July 3, 2014 with a subscribed capital of USD 2,720,000,00 represented by 27.200 shares with a par value of USD 100,00 each, fully paid-up.

As at December 31, 2016, the Company has a subscribed capital of USD 2,720,000,00 represented by 27.200 shares with a par value of USD 100,00 each, fully paid-up

During the financial period, the Company has not acquired any of its own shares.

c) Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

NOTE 8 - CREDITORS

Amounts due and payable for the accounts shown under "Creditors" are as follows:

	Within one year	After one year and within five years	After more than five years	Total 2016	Total 2015
Fixed Rate Senior Notes[1]	–	1,050,000,000,00	–	1,050,000,000,00	1,050,000,000,00
Floating Rate Senior Notes[2]	–	200,000,000,00	–	200,000,000,00	200,000, 000,00
Interest - Fixed Rate Senior Notes[1]	14,962,500,00	–	–	14,962,500,00	14,962,500,00
Interest - Floating Rate Senior Notes	1,698,000,00	–	–	1,896,000,00	1,655,550,00
Trade creditors	47,425,36	–	–	47,425,36	49,272,20
Shareholder's loan[3]	–	–	–	–	111,000,000,00
Interest - Shareholder's loan[3]	–	–	–	–	166,962,50
Corporate Income tax - 2014	52,452,38	–	–	52,452,38	52,452,36
Corporate Income tax - 2015	202,453,93	–	–	202,453,93	202,453,93
Municipal business tax - 2014	15,912,15	–	–	15,912,15	15,912,15
Municipal business tax - 2015	66,142,71	–	–	66,142,71	66,142,71
Net wealth tax - 2015	70,19	–	–	70,19	70,19
Net wealth tax - 2016	3,494,73	–	–	3,494,73	–
VAT payable	–	\–	–	–	6,648,15
Total	**17,248,451,45**	**1,250,000,000,00**	**–**	**1,267,248,451,45**	**1,378,178,164,21**

1. On October 7, 2014, the Company issued a Fixed Rate Senior Notes for an amount of USD 1,050,000,000,00 listed on the Euro MTF Market (ISIN US20914UAB26 and ISIN USL 1957QAB60). The Fixed Rate Notes have a fixed yield at a rate of 6,75% and will reach maturity on October 15, 2019. As at December 31, 2016, the principal amounted to USD 1,050,000,000,00 (2015: USD 1,050,000,000,00) and the accrued interest thereon amounted to USD 14,962,500,00 (2015: USD 14,962,500,00).

2. On October 7, 2014, the Company issued a Floating Rate Senior Notes for an amount of USD 200,000,000,00 listed on the Euro MTF Market (ISIN USL 1957QAA87). The Floating Rate Notes have variable-yield at a rate per annum, reset quarterly, equal to LIBOR + 3,50% and will reach maturity on October 15, 2019. The interest is paid on a quarterly basis. As at December 31, 2016, the principal amounted to USD 200,000,000,00 (2015: USD 200,000,000,00) and the accrued interest thereon amounted to USD 1,898,000,00 (2015: USD 1,655,550,00).

NOTE 8 - CREDITORS (continued)

3. On November 4, 2015, the sole shareholder granted to the Company a loan amounting to USD 111,000,000,00 as per the loan agreement dated October 20, 2015 (the "Short-Term Loan"). The loan matures on April 30, 2016 and bears an interest of 0.95% per annum. This loan has been used for the financing of the loan granted to the company G2X Energy, Inc (see Note 5). On February 3, 2016, the Company and its sole shareholder entered into an amendment to the Short-Term Loan in which the principal amount of USD 111,000,000,00 has been extended to a maximum amount of USD 160,000,000,00. The maturity date has been extended to May 4, 2016.

   On April 28, 2016, the outstanding current amount due of USD 122,550,000,00 and the accrued interest of USD 529,245,00 have been repaid to the sole shareholder.

NOTE 9 - INCOME TAX

The Company is subject to the general regulation application to all Luxembourg commercial companies.

NOTE 10 - STAFF

The Company did not employ employees and/or workers during the financial year (2015: nil).

NOTE 11 - EMOLUMENTS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES IN RESPECT OF RETIREMENT PENSIONS FOR FORMER MEMBERS OF THOSE BODIES

The Company did not grant emoluments to the administrative, managerial and supervisory bodies in respect of retirement pensions for former members of those bodies during the financial year.

NOTE 12 - ADVANCES ANS LOANS GRANTED TO THE MEMBERS OF THE ADMINISTRATIVE, MANAGERIAL AND SUPERVISORY BODIES

The Company did not grant advances to the administrative, managerial and supervisory bodies during the financial year.

NOTE 13 - AUDITORS' FEES

Year	Auditor's name	Fees USD
2016	Ernst & Young S.A.	3.880,18
2016	GSL Revision S.à r.l.	12.147,45
2015	GSL Revision S.à r.l.	23.501,43

NOTE 14 - OFF-BALANCE SHEET COMMITMENTS

The Floating Rate Notes and the Fixed Rate Notes are issued in the form of general unsecured obligations and as such embeds guarantee by the parent company, Consolidated Energy Limited, and by Methanol Holdings (Trinidad) Limited.

NOTE 15 - SUBSEQUENT EVENTS

The Company is planning to refinance the existing bonds outstanding through the issuance of a new bond programme in the nearest future.