



U.S.\$550,000,000

## The Republic of Trinidad and Tobago

### 4.375% Notes due 2024

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The 4.375% Notes due 2024 (the “Notes”) of the Republic of Trinidad and Tobago (the “Republic” or “Trinidad and Tobago”) are the direct, general and unconditional obligations of the Republic. The Notes will constitute a charge upon and be payable out of the Consolidated Fund (as defined herein) of the Republic and shall at all times rank equally with all other present and future obligations of the Republic that constitute charges upon the Consolidated Fund.

Interest on the Notes is payable in arrears on January 16 and July 16 of each year, commencing on January 16, 2014 and the Notes will mature on January 16, 2024. Payments on the Notes will be made without deduction for or on account of withholding taxes imposed by the Republic to the extent described under “Taxation.”

The Notes contain provisions, commonly known as “collective action clauses,” regarding acceleration and voting on future amendments, modifications and waivers (which are described in the section entitled “Terms and Conditions of the Notes—Modifications, Amendments and Waivers”) under which the Republic may amend the payment provisions of the Notes and certain other terms with the consent of the holders of 75% of the aggregate amount of the outstanding Notes.

Application has been made for the Notes to be admitted on the Official List of the Luxembourg Stock Exchange and to be admitted for trading on the Euro MTF market. This Offering Circular constitutes a prospectus for the purposes of the Luxembourg Law on prospectuses for securities, dated July 10, 2005, as amended.

**See “Risk Factors” beginning on page 9 of this Offering Circular for a description of the principal risks involved in making an investment in the Notes.**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered only to qualified institutional buyers (as defined in Rule 144A under the Securities Act (“Rule 144A”)) in the United States in transactions exempt from the registration requirements of the Securities Act and to persons outside the United States in reliance on Regulation S of the Securities Act (“Regulation S”). Prospective purchasers of the Notes are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For certain restrictions on resales, see “Transfer Restrictions.”

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**Price: 100% plus accrued interest, if any, from December 16, 2013.**

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The Initial Purchaser (as defined below) expects to deliver the Notes to purchasers in book-entry form only through the facilities of The Depository Trust Company (“DTC”), Euroclear Bank, S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme Luxembourg (“Clearstream”) on or about December 16, 2013.

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# Citigroup

December 11, 2013

## NOTICES

**This Offering Circular contains important information that you should read carefully before any decisions are made with respect to the Notes. The Republic is furnishing this Offering Circular to you solely for use in connection with your investment in the Notes. You should rely only on the information contained in this Offering Circular. No person has been authorized to give any information or to make any representations with respect to the matters described in this Offering Circular other than those contained herein or therein and, if given or made, such information or representations must not be relied upon as having been authorized by the Republic or Citigroup Global Markets Inc. (the “Initial Purchaser”).**

The information contained herein is as of the date hereof and subject to change, completion or amendment without notice. The delivery of this Offering Circular shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof, or that there has been no change in the information set forth herein or in any attachments hereto or in the affairs of the Republic or any of its agencies or political subdivisions since the date hereof.

In making an investment decision with respect to the Notes, you must rely on your own examination of the Republic and of the terms of the Notes, including, without limitation, the merits and risks involved. The offer of the Notes is being made on the basis of this Offering Circular. Any decision to invest in the Notes must be based solely on the information contained herein.

None of the Republic, the Initial Purchaser, the Fiscal Agent (as defined below), any paying agent or any of their delegates or agents makes any recommendation in connection with the Notes. You should not construe the contents of this Offering Circular as investment, legal or tax advice.

### NOTICE TO NEW HAMPSHIRE RESIDENTS

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

Neither the U.S. Securities and Exchange Commission, any state securities commission nor any other U.S. regulatory authority has approved or disapproved the Notes, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offense.

The distribution of this Offering Circular or any part of it, and the offer, sale and delivery of the Notes, may be restricted by law in certain jurisdictions. Persons who receive this Offering Circular are required to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. This Offering Circular may only be used for the purposes for which it has been published.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration thereunder or exemption therefrom. See “Transfer Restrictions.”

Certain amounts included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise specified or the context requires, references to “U.S. dollars” and “U.S.\$” are to United States dollars and references to “TT dollars” and “TT\$” are to Trinidad and Tobago dollars.

See “Terms and Conditions of the Notes — Consent to Enforcement” for a discussion of the difficulties that may confront a holder of a Note attempting to obtain, or to realize upon, judgments of United States or foreign courts against the Republic in connection with claims arising from the Notes.

### **OFFICIAL STATEMENTS**

Information in this Offering Circular whose source is identified as a publication of the Republic or one of its agencies or instrumentalities relies on the authority of such publication as a public official document of the Republic.

The Republic, having made all reasonable inquiries, confirms that this Offering Circular contains all information that is material in the context of the issue of the Notes, that the information contained in this Offering Circular is true and accurate in all material respects, and that there are no other facts the omission of which makes this Offering Circular as a whole or any such information misleading in any material respect. The Republic accepts responsibility accordingly.

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## CERTAIN DEFINED TERMS AND CONVENTIONS

### Exchange Rates

On April 13, 1993, the Republic abandoned a fixed exchange rate regime and adopted a floating exchange rate regime whereby exchange rates for the sale of TT dollars into other currencies are determined by authorized foreign exchange dealers in the Republic.

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

<u>Period (Calendar Year Ended December 31)</u>	<u>Exchange Rate</u>	
	<u>Period Average</u>	<u>End of Period</u>
	<i>(TT dollars per U.S. dollar)</i>	
2008 .....	6.2563	6.2729
2009 .....	6.2997	6.3574
2010 .....	6.3480	6.3765
2011 .....	6.3995	6.4093
2012 .....	6.4033	6.3814
2013 (through November 29, 2013).....	6.4141	6.3798

<u>Period (Fiscal Year Ended September 30)</u>	<u>Exchange Rate</u>	
	<u>Period Average</u>	<u>End of Period</u>
	<i>(TT dollars per U.S. dollar)</i>	
2008 .....	6.2364	6.2018
2009 .....	6.2484	6.2964
2010 .....	6.3176	6.3154
2011 .....	6.3621	6.3699
2012 .....	6.3714	6.3795
2013 .....	6.3815	6.4085

Source: Central Bank.

In this Offering Circular, certain amounts stated in U.S. dollars have been translated, for the convenience of the reader, from TT dollars, using, unless otherwise indicated, an exchange rate of TT\$6.3798 per U.S. dollar, which is the exchange rate reported by the Central Bank for November 29, 2013. Such translations should not be construed as a representation that the TT dollar could have been converted at such rate on such date or at any other time.

### **Presentation of Financial Information**

In this Offering Circular, references to any fiscal year of the Republic mean the 12-month period beginning October 1 of the prior year and ending on September 30 of that year. For example, a reference to “fiscal year 2013” is a reference to the period beginning October 1, 2012 and ending September 30, 2013. References to years which are not preceded by “fiscal year” are references to the calendar year. The Republic reports GDP figures on a calendar year basis.

Since the Republic’s official financial and economic statistics are subject to review, the information in this Offering Circular may be adjusted or revised. The Republic believes that this review process is substantially similar to the practices of many industrialized nations. The Republic does not expect revisions to be material, although it cannot make assurances that material changes will not be made.

Unless otherwise indicated, all annual rates of growth are average annual compounded rates, and all financial data is presented in nominal terms.

Financial projections for 2013 and 2014 are based on the 2013 and 2014 budgets and are for the full year. These budgetary figures are not directly comparable with other figures as they are estimates. In addition, these amounts may change during the year as a result of subsequent events.

### **Certain Defined Terms**

This Offering Circular uses the terms set forth below in the following manner:

- “Exports” are calculated based upon statistics reported to the Republic’s customs department upon departure of goods from the Republic on a free-on-board basis at a given departure location.
- “Gross domestic product” or “GDP” means the total value of final products and services produced in the Republic during the relevant period.
- “Imports” are calculated based upon statistics reported to the Republic’s customs department upon entry of goods into the Republic on a cost, insurance and freight included basis.
- “Rate of inflation” or “inflation rate” is measured by the change in the annual amount of all of the items in the current year over the previous year. The Retail Price Index (“RPI”) is calculated on the basis of a weighted basket of consumer goods and services using a monthly averaging method.

### **FORWARD-LOOKING STATEMENTS**

Certain statements under the captions “Summary,” “The Economy,” “Use of Proceeds,” “Foreign Trade and Balance of Payments,” “Monetary System,” “Public Sector Finances” and “Public Sector External Debt” and elsewhere in this Offering Circular constitute forward-looking statements, which are statements that are not historical facts, including statements about the Republic’s beliefs and expectations. These statements are based on the Republic’s current plans, estimates and projections. These statements involve known and unknown risks, uncertainties and other factors, including, but not limited to, those set forth in “Risk Factors” in this Offering Circular, that may cause the actual results or performance of the Republic, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements speak only as of the date they are made. The Republic undertakes no obligation to update any of them publicly in light of new information or future events, including changes in the Republic’s economic policy or budgeted expenditures, or to reflect the occurrence of unanticipated events. Factors that could cause the Republic’s actual results or performance to differ materially from such forward-looking statements include, but are not limited to, those described in “Risk Factors,” adverse external factors, such as high

international interest rates, low oil prices and recession or low growth in the Republic's trading partners; adverse domestic factors, such as a decline in foreign direct investment, increases in domestic inflation, high domestic interest rates and exchange rate volatility; and other adverse factors, such as climatic events and political uncertainty.

## SUMMARY

*The following constitutes a summary of the main characteristics and risks associated with the Republic and the Notes. This summary does not purport to be complete and must be read along with the other information included in this Offering Circular. Any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole, including the risks described under "Risk Factors."*

### The Republic

The Republic believes it has evolved into an economic leader within the Caribbean and a developing force in the regional and global energy industry. The Republic continues to benefit from its commitment to free trade, a dynamic workforce, a stable exchange rate and its natural resources. All of these factors have contributed to a growing economy with prospects for foreign investment.

### Recent Economic Trends

After fifteen years of positive real economic growth, the Republic was adversely affected by the global financial crisis, which contributed to negative growth for calendar years 2009 and 2011, and marginal growth in the calendar year 2010. For calendar year 2012, however, the Republic returned to positive growth, with an expansion in real GDP of 1.2%. This follows a decline of 2.6% in calendar year 2011. This recovery is attributable to the return to growth in the non-petroleum sector, estimated at 1.9%, which was driven by estimated growth of 2.4% in the services sector for 2012. For calendar year 2013, the Republic's real economic growth was forecasted to further strengthen to an estimated 1.6%, attributable to growth in both the petroleum and non-petroleum sectors of an estimated 0.5% and 2.5%, respectively. Growth in the non-petroleum sector is estimated to be driven by growth in manufacturing (6.1%); finance, insurance and real estate (5.3%); construction and quarrying (3.0%); and electricity and water (3.0%).

The overall growth of the domestic economy in 2012 positively affected the labor market, resulting in the creation of jobs and a commensurate decrease in the unemployment rate. The rate of unemployment averaged 5.0% during calendar year 2011 and for the nine months ended September 30, 2012, a decrease from 5.9% in calendar year 2010. For the three months ended September 30, 2012, the unemployment rate was 4.9%, a decrease from the unemployment rate of 5.4% in the prior year period.

The Republic's balance of payments has not been consistent during the years 2008 to 2012, given deficits recorded in 2009 and 2012. Although the overall balance of payments was in deficit for calendar year 2012 of an estimated U.S.\$662.1 million, in 2011 there was an overall surplus of U.S.\$752.6 million. The current account surplus is estimated to be U.S.\$982.2 million for the calendar year 2012, compared to U.S.\$2,898.5 million in calendar year 2011. The capital account balance, however, is estimated to record a deficit of U.S.\$1,581.6 million for calendar year 2012.

The year-on-year inflation rate for fiscal year 2013 was 3.0%, a decrease of 4.7% from the inflation rate of 7.7% for fiscal year 2012. The average inflation rate for the nine months ended September 30, 2013 was 5.5%, a decrease of 4.2% from the average inflation rate of 9.7% for the nine months ended September 30, 2012.

In September 2012, in an attempt to stimulate the economy, and with "core" inflation (inflation excluding the impact of food prices) relatively contained, the Central Bank reduced its main policy rate, the repurchase or "repo" rate, to 2.75%. This reduction followed 75 basis points of previous cuts since the end of 2010, leading to reduced lending rates by commercial banks. However, despite the reduction in the repo rate, private sector credit remained subdued and business loans declined. In contrast, volumes of consumer lending and real estate mortgage loans increased.

With low credit demand and large fiscal injections, the Central Bank took measures to manage excess liquidity by requiring commercial banks to roll over maturing fixed deposits held at the Central Bank, and to increase the amount of such deposits by TT\$1.5 billion (U.S.\$235.1 million). In May 2013, having reached its legal ceiling on open market operations of short-term treasury securities, the Central Government issued a TT\$1.0 billion long-term bond to assist in the absorption of liquidity. In addition, the House of Representatives of the Republic has approved an increase in the Central Bank's authorization for open market operations from TT\$5.0 billion (U.S.\$783.7 million) to TT\$15.0 billion (U.S.\$2.4 billion) for issuances of treasury notes and from TT\$15.0 billion

(U.S.\$2.35 billion) to TT\$30.0 billion (U.S.\$4.7 billion) for issuances of treasury bills. The measure is currently scheduled for debate in the Senate. The highly liquid financial environment has also led to a further reduction in interest rates, including those on government securities.

On January 30, 2009, the Republic entered into a memorandum of understanding (the “MOU”) with CL Financial Limited (“CLF”), acting for itself and as agent for its affiliates, including Colonial Life Insurance Company (Trinidad) Limited (“CLICO”), CLICO Investment Bank Limited (“CIB”) and British American Insurance Company (Trinidad) Limited (“BAT”). Under the terms of the MOU, CLF agreed to undertake certain measures to correct the financial condition of CIB, CLICO and BAT in order to protect the interests of the depositors, policy holders and creditors of those institutions. Such measures included the sale of CLF’s shareholdings in certain entities, including Republic Bank Limited, Methanol Holdings (Trinidad) Limited (“Methanol Holdings”) and Caribbean Money Market Brokers Limited, and applying the proceeds of such sales towards correcting the financial imbalances of its affiliates. At that time, CLICO represented approximately 50% of the insurance liabilities in Trinidad and Tobago and, therefore, its distress represented a risk to the financial stability of the Republic.

Against this background, the Central Bank intervened and, with the assistance of the Central Government, sought to restructure CLICO and BAT. The Republic invested TT\$5.0 billion in CLICO in the form of a purchase of ordinary shares of CLICO representing 49.2% of the issued and outstanding shares (TT\$7.25 million) and preference shares in the value of TT\$4.99 billion, and a further investment of TT\$100.0 million in liquidity support to BAT. In addition, the Republic purchased the liabilities of the policyholders and depositors of CLICO and BAT in an amount of approximately TT\$11.6 billion (U.S.\$1.8 billion). Since 2009, the key assets of CLICO, in which approximately 80% of the assets to be divested reside, as well as the assets of BAT and CIB, have appreciated in value. The Republic is currently in an advanced stage of reaching agreement with CLF and the Central Bank on the specific mechanisms by which the divestment is to be conducted and the terms of the repayment of debt using the proceeds of the divestment and other funding from CLF. As a result, the Central Government believes that CLICO’s financial condition no longer represents a risk to the financial stability of the Republic.

### **Social and Economic Policy Framework**

In October 2011, the Central Government issued its Medium-Term Policy Framework 2011-2014 (the “MTPF”), based on the theme “*Innovation for Lasting Prosperity*.” The MTPF outlines the Central Governments’ perspective and intent to achieve socio-economic transformation based on the following seven interconnected pillars for sustainable development:

- *People-Centered Development.* This pillar is at the heart of the development strategy around which the other pillars coalesce. It focuses on the people of Trinidad and Tobago and their development aspirations and the strategies that allow each individual the opportunity for development through meaningful engagement in education, employment, arts and culture, sport, and family and community initiatives.
- *Poverty Eradication and Social Justice.* This pillar emphasizes economic inclusion and identifies specific annual targets for reduction of poverty (targeted at 2%). It focuses on the protection and care for the most vulnerable members of the Republic: poor children, victims of crime and the differently-abled.
- *National and Personal Security.* This pillar addresses crime and personal safety with the objective of eliminating fear for self and property and to create an environment in which all can enjoy freedom with responsibility.
- *Information and Communication Technologies.* This is an essential element of the infrastructure underpinning the creation of a modern, competitive economy in an information rich, knowledge- and technology-driven world.
- *A More Diversified, Knowledge-Intensive Economy.* This pillar is at the core of building international competitiveness, stimulating new areas of economic growth and moving up the value chain. It places a premium on creating high value jobs and generating wealth across all regions of the country. The

thrust is towards building an innovative, highly-skilled work force supported by strong institutions and increased research and development activity as the cornerstones of the economic restructuring effort.

- *Good Governance.* This pillar is characterized by strong institutions responsive to the needs of the citizenry, adherence to a culture of democracy and the principles of accountability, transparency and fairness as well as expanded civic engagement.
- *Foreign Policy.* This pillar underscores the importance of meaningful and decisive engagement with the community of nations and strategic positioning at the regional, hemispheric and wider global levels to the success of Trinidad and Tobago's development strategy.

The framework articulates the broad strategic direction being taken to restructure and transform the economy and the society, and the necessary policy shifts aimed at managing development. Within the context of the seven development pillars articulated by the government, the main thrusts of the MTPF are:

- to diversify and deepen the production base in order to ensure that in a context of depleting energy resources, the economy will continue to grow and sustain a high standard of living;
- to move the economy up the value chain, increase competitiveness and expand investment both local and foreign;
- to achieve a secure and safe nation and to strengthen the framework, institutions and infrastructure to support human security;
- to expand the capacity of the Republic's citizens for knowledge accumulation and use, innovation, creativity and entrepreneurial activity; and
- to reduce socio-economic and regional inequalities within the borders of the Republic, move people out of poverty and promote social inclusion through meaningful economic participation.

In this context, the government has set the following five priorities for action over the three-year period from 2011 to 2014. These five priorities are aimed at achieving sustainable economic and social advancement of all citizens.

- *Crime and Law and Order.* The approach to crime containment and reduction is multi-pronged and includes: more effective law enforcement and policing, social interventions aimed at discouraging a lifestyle of crime and violence, reform of the justice system and the legal framework and rehabilitation of offenders. These are to be supported by national strategies for economic recovery, growth and expansion which will create jobs, foster greater economic inclusion and move the Republic in the direction of achieving prosperity for all.
- *Agriculture and Food Security.* Food security is one of the government's major goals. Its objective is to develop a highly productive agricultural sector that is modernized and internationally competitive and that generates sustainable income levels for producers comparable to those obtained in other sectors of the economy. The agriculture sector must enhance the Republic's renewable resources and biodiversity and meet the needs of the population for adequate supplies of locally grown, affordable and nutritious food.
- *Health Care Services and Hospitals.* Proactively addressing the challenges of the healthcare system requires a comprehensive approach to reducing the incidence of non-communicable and other infectious diseases, promoting healthy lifestyles, addressing the human resource challenges, improving and creating accessible infrastructure as well as introducing a patient-centered approach to health care. Central to achieving these goals is an effective managerial approach that is guided by a strong legislative and policy framework that guarantees efficient and effective use of resources and is responsive to crisis situations.

- *Economic Growth, Job Creation, Competitiveness and Innovation.* The growth, competitiveness and innovation strategy for the medium-term will center on the government's efforts to drive innovation and entrepreneurship, support new strategic sectors with the potential for becoming internationally competitive and generate high paying jobs in accordance with the "Decent Work Agenda," promote cluster development locally and regionally, restructure the energy sector and improve the business environment.
- *Poverty Reduction and Human Capital Development.* A major effort will be mounted by the government to reduce the level of poverty, with the intention of eradicating poverty in the long-term. The strategy is to break the cycle of poverty, enable self-sufficiency and create opportunities for wealth generation.

## Selected Economic Information of the Republic

Key Economic Indicators	Fiscal Year Ended September 30,					
	2008	2009	2010	2011	2012	2013E
	<i>(in millions of TT dollars unless otherwise indicated)</i>					
<b>The Economy</b>						
Real GDP <sup>(1)</sup> .....	92,922.6	88,841.7	89,029.2	86,731.3	87,810.9	89,251.5
Real GDP (in millions of U.S dollars) <sup>*(1)</sup> .....	14,852.7	14,102.6	14,024.8	13,552.8	13,713.4	13,917.1 <sup>(11)</sup>
Real GDP growth <sup>(1)</sup> .....	3.4%	-4.4%	0.2%	-2.6%	1.2%	1.6%
Nominal GDP <sup>(1)</sup> .....	175,287.2	121,281.3	131,289.4	150,373.2	153,587.7	165,188.8
Nominal GDP (in millions of U.S. dollars) <sup>(1)</sup> ..	28,017.9	19,251.9	20,682.0	23,497.6	23,985.9	25,758.2 <sup>(11)</sup>
Nominal GDP growth <sup>(1)</sup> .....	28.0%	-30.8%	8.3%	14.5%	2.1%	7.6% <sup>(7)</sup>
Petroleum Sector (as a percentage of Nominal GDP) <sup>(1)</sup> .....	50.8%	34.6%	42.7%	46.8%	43.7%	42.9%
Non-Petroleum Sector (as a percentage of Nominal GDP) <sup>(1)</sup> .....	48.7%	65.7%	57.2%	53.8%	56.0%	56.7%
Annual Average Inflation <sup>(1)</sup> .....	12.0%	7.0%	10.6%	5.1%	9.2%	5.6% <sup>(13)</sup>
<b>Balance of Payments</b>						
Exports (in millions of U.S. dollars) <sup>(1)(2)</sup> .....	18,647.1	9,221.4	11,238.9	14,943.9	12,983.4 <sup>(7)</sup>	5,924.6 <sup>(8)</sup>
Imports (in millions of U.S. dollars) <sup>(1)(2)</sup> .....	9,576.7	6,980.2	6,503.5	9,510.9	9,065.0 <sup>(7)</sup>	4,202.8 <sup>(8)</sup>
Trade Balance (in millions of U.S. dollars) <sup>(1)(2)</sup> ..	9,070.4	2,241.2	4,735.4	5,433.0	3,918.4 <sup>(7)</sup>	1,721.8 <sup>(8)</sup>
Current Account Balance (in millions of U.S. dollars) <sup>(1)(2)</sup> .....	8,499.0	1,632.8	4,172.3	2,898.5	982.2 <sup>(7)</sup>	600.1 <sup>(8)</sup>
Gross International Reserves <sup>(1)(3)</sup> .....	11,588.0	11,392.8	11,258.9	12,314.4	12,234.5	12,471.9
Exports of Goods and Non-Factor Services (in millions of U.S. dollars – Calendar Year) .....	19,582.8	9,986.2	12,113.1	20,746.8	18,111.5	8,687.5 <sup>(9)</sup>
Exports of Goods and Non-Factor Services (in millions of U.S. dollars – Fiscal Year) .....	18,221.9	12,385.3	11,581.4	18,588.4	18,770.3	11,043.5 <sup>(9)</sup>
<b>Public Finance</b>						
Public Sector Revenue (as a percentage of Nominal GDP) .....	32.4%	32.3%	33.4%	31.6%	32.1%	31.9%
Public Sector Expenditure (as a percentage of Nominal GDP) .....	30.7%	37.7%	35.6%	34.2%	34.4%	34.6%
Overall Public Sector Balance (as a percentage of Nominal GDP) <sup>(4)</sup> .....	1.7%	-5.4%	-2.1%	-2.6%	-2.3%	-2.7%
Overall Public Sector Balance (as a percentage of Real GDP) .....	3.2%	-7.5%	-3.2%	-4.6%	-4.0%	-5.0%
<b>External Debt</b>						
Central Government External Debt (in millions of U.S. dollars) .....	1,492.7	1,550.9	1,381.1	1,484.8	1,661.0	1,586.1 <sup>(12)</sup>
<b>Total Public External Debt (in millions of U.S. dollars)<sup>(5)</sup> .....</b>	<b>1,607.2</b>	<b>2,045.4</b>	<b>1,852.0</b>	<b>1,992.0</b>	<b>2,128.7</b>	<b>2,032.4<sup>(12)</sup></b>
<b>Total Public External Debt (as a percentage of Nominal GDP) .....</b>	<b>5.7%</b>	<b>10.6%</b>	<b>8.9%</b>	<b>8.4%</b>	<b>8.8%</b>	<b>7.9%</b>
Debt Service (in millions of U.S. dollars)						
Principal .....	64.9	66.3	68.8	98.9	111.7	112.5
Interest Payments .....	102.5	86.8	70.3	59.5	61.1	50.6
<b>Total Debt Service</b> .....	<b>167.3</b>	<b>153.1</b>	<b>139.1</b>	<b>158.4</b>	<b>172.8</b>	<b>163.2</b>
<b>Total Debt Service Ratio (as a percentage of exports)<sup>(6)</sup> .....</b>	<b>0.9%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>0.9%</b>	<b>0.9%</b>	<b>1.4%<sup>(10)</sup></b>

Source: Central Bank; Central Statistical Office; Ministry of Finance and the Economy.

E Estimated

\* Amounts in TT dollars have been converted to U.S. dollars using the average exchange rate for the relevant period. See "Certain Defined Terms and Conventions—Exchange Rates."

(1) On a calendar year basis, for the year ended December 31 of each period, unless otherwise indicated.

(2) Includes oil imports and exports under various processing arrangements and other balance of payments adjustments.

(3) Includes reserves held by the Central Bank, the Central Government and commercial banks.

(4) Calculated as the difference between public sector revenues and public sector expenditures.

(5) Includes Central Government external debt and debt of state-owned enterprises and statutory utilities.

(6) Represents the portion of the Republic's earnings from the export of goods that is required to pay principal and interest on the total external debt of the Republic due in a defined period. The amount of total exports for each fiscal year was used to calculate the debt service ratio.

(7) Estimate.

- (8) Estimate for the six months ended June 30, 2013.
- (9) Includes exports for six months ended June 30, 2013.
- (10) Debt service ratio computed for the period October 1, 2012 to June 30, 2013.
- (11) Based on the average of the annual buying and selling exchange rates for the years 2008 to 2012 and the average buying and selling exchange rates for the period January to October 2013
- (12) Based on annual buying exchange rates for the years 2008 to 2012 and average buying exchange rates for the period January 2013 to September 2013.
- (13) Based on a nine-month average for the nine months ended, September 30, 2013. The inflation rate, year-on-year for fiscal 2013 was 3.0%. Figures for each of the years 2008 to 2012 are based on the annual average for that year.

## THE OFFERING

Issuer .....	Republic of Trinidad and Tobago
Securities Offered .....	U.S.\$550,000,000 principal amount of 4.375% Notes due 2024
Maturity Date .....	January 16, 2024
Interest Payment Dates .....	January 16 and July 16 of each year, commencing on January 16, 2014
Form and Settlement.....	Trinidad and Tobago will issue the Notes in the form of one or more global notes registered in the name of a nominee of DTC, as depository, for the accounts of its participants (including Euroclear and Clearstream, Luxembourg). Trinidad and Tobago will not issue Notes in certificated form in exchange for the global notes, except under the limited circumstances described in this Offering Circular. See “Form, Denomination and Transfer.”
Withholding Tax; Additional Amounts .....	Principal of and interest on the Notes are payable by the Republic without withholding or deduction for or on account of taxes imposed by the Republic, unless required by law. In the event that the Republic is required by law to deduct or withhold taxes, duties, assessments or governmental charges, subject to certain exceptions, the Republic shall pay Additional Amounts (as defined herein) as necessary to enable beneficial owners of the Notes to receive amounts after such deduction or withholding that they would have received absent such deduction or withholding. See “Terms and Conditions of the Notes — Payments of Additional Amounts” and “Taxation.”
Status .....	The Notes will be the direct, general and unconditional obligations of the Republic. The Notes will constitute a charge upon and be payable out of the Consolidated Fund of the Republic and shall at all times rank equally with all other present and future obligations of the Republic that constitute charges upon the Consolidated Fund. See “Terms and Conditions of the Notes — General.”
Negative Pledge and Certain Covenants .....	The Terms and Conditions of the Notes contain a negative pledge and certain covenants. See “Terms and Conditions of the Notes — Negative Pledge” and “Terms and Conditions of the Notes — Covenants.”
Collective Action Clauses .....	The Notes will be issued pursuant to a fiscal agency agreement that contains provisions permitting future modifications to any term of the Notes without the approval of all the holders of the Notes. For example, under those provisions, modifications affecting payment and other key terms may be made to the Notes with the consent of the holders of not less than 75% in aggregate principal amount outstanding of Notes. See “Terms and Conditions of the Notes — Modifications, Amendments and Waivers.”
Use of Proceeds .....	The proceeds from the issuance of the Notes, after deducting estimated offering expenses and the Initial Purchaser’s commissions and discounts, will be used for general budgetary purposes. See “Use of Proceeds.”

Denominations.....	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
Fiscal Agent.....	Deutsche Bank Trust Company Americas
Listing.....	Application has been made for the Notes to be admitted on the official list of the Luxembourg Stock Exchange and to be admitted for trading on the Euro MTF market.
Transfer Restrictions .....	The Notes have not been registered under the Securities Act and are being offered only to qualified institutional buyers (as defined in Rule 144A) in the United States in transactions exempt from the registration requirements of the Securities Act and to persons outside the United States in reliance on Regulation S. As a result, the Notes will be subject to restrictions on transferability and resale. For more information, see “Transfer Restrictions.”
Governing Law.....	New York
Risk Factors.....	See “Risk Factors” beginning on page 9 for a description of certain risks involved in making an investment in the Notes.

## RISK FACTORS

*An investment in the Notes involves a significant degree of risk. You should read and carefully consider each of the following risk factors and all of the other information contained in this Offering Circular before making a decision to invest in the Notes. Any of the following risks could materially and adversely affect the economic performance of the Republic, its public finances and its ability to make payments in respect of the Notes. Additional risks and uncertainties not currently known to the Republic or those that the Republic deems to be immaterial may also materially and adversely affect the Republic. Due to these risks, you may lose all or part of your original investment in the Notes.*

### **Risks Relating to the Republic**

***The Republic's economic growth is significantly dependent on the production, demand and prices of natural gas and oil.***

The Republic's economic growth is significantly dependent on the production, demand and prices of natural gas and oil. The petroleum sector continues to be the primary driver of the Republic's economy, accounting for approximately 41.1% and 40.22% of real GDP in calendar years 2011 and 2012, respectively.

The production and demand for, and price of, natural gas and oil is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, demand for and prices of commodities that are produced with natural gas or oil, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels and global economic and political developments. In addition, the production of natural gas and oil may be affected by planned or unplanned outages as a result of routine maintenance, upgrading or otherwise. The Republic is also currently in discussions with producers for the renewal of three gas supply contracts that have expired or will expire in 2014. If the Republic is unable to renew these contracts on favorable terms, or at all, the production and supply of natural gas may be adversely affected.

International oil prices have fluctuated significantly in recent years and are likely to continue to fluctuate significantly in the future. Fluctuations in the price of oil have been caused by several factors, including the continued conflicts in the Middle East. A significant decline in the price of natural gas or oil may have a material adverse effect on the Republic's economic performance and public finances, since a substantial portion of the Republic's revenues are, directly and indirectly, derived from the natural gas and oil industries. Furthermore, because in certain cases natural gas and oil companies in the Republic use the revenues generated from the sale of natural gas or crude oil to fund the expansion of their operations, a substantial reduction in natural gas and oil prices would reduce, or in some cases eliminate, the companies' ability to continue to fund such expansion activities. Decreases in natural gas and oil prices may also constrain certain longer-term investment plans of or in the Republic because the returns expected from such investments are unpredictable. These events may adversely affect the Republic's economic performance, its public finances and its ability to repay the Notes.

***The Republic faces competition from other producers of liquefied natural gas ("LNG").***

Although the producers of LNG in the Republic have an advantage in exporting LNG to North and South America, in addition to exporting to markets in Northern Europe and Asia, because of shorter shipping distances, the competition to export LNG to these markets, is worldwide. If competition from other sources of LNG, including possible future exports of shale gas from the United States, reduces the price of LNG in the Republic's export markets, the Republic's economic performance and public finances could be adversely affected.

***Estimates of the Republic's natural gas and oil reserves are uncertain.***

The Republic has significant proven reserves and resources of natural gas and oil. However, the value of the proven reserves is only an estimate and is subject to numerous uncertainties. Estimates of the Republic's proven reserves differ among petroleum engineers and other experts. The accuracy of any reserve estimate is a function of the quality of the available data and engineering and geological interpretation. These estimates depend on assumptions regarding future prices, availability and demand of natural gas and oil and the timing and expenditures necessary to extract the natural gas and oil. All of these factors and assumptions may vary. Any significant reduction in the estimates of the proven or probable, natural gas and oil reserves of the Republic could adversely affect the Republic's economy and its public finances. Furthermore, the Republic only discloses estimated oil

reserves and not proven reserves. Such resource estimates are subject to even more uncertainty than proven reserves.

***Adverse external factors, instability in international financial markets and adverse domestic factors could lead to reduced growth and decreased foreign investment in the Republic.***

Low natural gas or crude oil prices could decrease the Central Government's revenues, and recession or low growth in the Republic's main trading partners could lead to fewer exports. Any combination of these factors could adversely affect the Republic's public finances. Instability or volatility in the international financial markets could lead to domestic volatility, making it more difficult for the Central Government to achieve its macroeconomic goals. Domestic volatility could also lead to declines in foreign investment in the Republic. Adverse domestic factors, such as inflation, high interest rates, exchange rate volatility and political uncertainty could lead to lower growth in the Republic. The Republic cannot assure you that it will not experience economic problems in the future, including as a result of a global economic crisis, which could have a material adverse effect on its financial condition and its ability to make payments on its debt obligations, including the Notes.

***Inflation may escalate, which could adversely affect the Republic's economic performance and public finances.***

Inflation in the Republic has been volatile and primarily driven by food prices. Being a small open economy, food prices in the Republic are impacted by both international events as well as domestic supply conditions. Inflation was 9.2% in 2012, which was an increase from 5.1% in 2011 but a decrease from 12.0% recorded in 2008, and 3.0% for fiscal year 2013. Although the Republic has adopted measures intended to control inflation and, in particular, to lower food prices, the Republic cannot assure you that these measures will be successful and that inflation rates will not increase further. As a result, the Republic cannot assure you that the value of the TT dollar will not decline or that other factors will not result in higher rates of inflation. Any significant increase in the rate of inflation or volatility in the financial markets would undermine confidence in the Republic and could have a material adverse effect on its economic performance, public finances and the Republic's ability to make payments on its debt obligations, including the Notes.

***The Republic's economy may not continue to grow at current rates or may contract in the future, which could have a material adverse effect on its public finances and on the market price of the Notes.***

The Republic cannot offer any assurance that its economy will continue to grow at the current rate, or at all, in the future. The Republic's economic growth is significantly dependent on the production and prices of natural gas and oil. The petroleum sector continues to be the primary driver of the Republic's economy, accounting for approximately 41.1% and 40.22% of real GDP in calendar years 2011 and 2012, respectively. Continued economic growth in the Republic is dependent on a number of factors, including, but not limited to, continued demand for the Republic's natural gas and oil and the accuracy of the Republic's natural gas and oil reserves. The Republic's natural gas reserves were estimated at 13.26 trillion cubic feet and 13.11 trillion cubic feet at December 31, 2011 and 2012, respectively. The Republic's crude oil resources were estimated at 723 million barrels at December 31, 2012.

In addition, economic growth in the Republic is also dependent on the confidence of foreign investors in the Republic and their rates of investment, the willingness of the Republic and businesses to engage in new capital spending, and a stable and relatively low rate of inflation. If the Republic's economic growth begins to slow, contracts, or stops, or if the current level of expenditures increases, the Republic's financial condition would be adversely affected, which would impact the market price of the Notes and the Republic's ability to service its public debt, including the Notes.

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

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

***Foreign exchange restrictions could affect exchange rates and prevent the Republic from servicing its foreign-currency denominated debt, including the Notes.***

There is currently no exchange control legislation in the Republic and the Central Bank does not currently restrict the ability of individuals or companies in the Republic to convert TT dollars into U.S. dollars or other currencies. The Republic cannot guarantee that the Central Bank will maintain its current policies with regard to the TT dollar or that the TT dollar's value will not fluctuate significantly in the future. The Central Government's policies affecting the value of the TT dollar could prevent it from paying its foreign currency obligations, and uncertainty regarding Central Bank foreign exchange sales policies may result in temporary scarcity or queuing. Most of the Central Government's debt is denominated in U.S. dollars, including the Notes. In the future, the Central Government may incur additional indebtedness denominated in U.S. dollars or in currencies other than the TT dollar. Declines in the value of the TT dollar relative to the U.S. dollar or other currencies may increase the Republic's interest costs in TT dollars and result in foreign exchange losses, which may have a material adverse effect on the Republic's economic performance or public finances.

***The Republic cannot assure you that policies imposed by the Central Government in the future will not significantly affect the Republic's economic performance and public finances.***

The Central Government has historically played a central role in the development of the Republic's hydrocarbon reserves and has exercised and continues to exercise significant influence over many aspects of the Republic's economy. The Republic cannot assure you that laws and regulations currently governing the economy will not change in the future, or that any changes will not adversely affect the Republic's economic performance or public finances, as well as its ability to honor its foreign currency-denominated debt obligations, including the Notes. The market price of the Notes may be adversely affected by changes in policies involving taxation, environmental matters and other political, diplomatic, social or economic developments in or affecting the Republic.

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

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

The total contingent debt liability of the Republic is estimated at TT\$28.0 billion at September 30, 2013, as compared to TT\$27.6 billion at September 30, 2012. This figure includes state-owned enterprise debt secured by letters of comfort or letters of guarantee estimated at TT\$6.8 billion for fiscal year 2013. Total debt of the Republic's state-owned enterprises is estimated at TT\$17.7 billion at September 30, 2013, as compared to TT\$17.1 billion at September 30, 2012. Government-guaranteed state-owned enterprise debt is estimated at TT\$10.9 billion at the end of fiscal year 2013, representing approximately 62% of total state-owned enterprise debt of TT\$17.7 billion at the end of fiscal year 2013. Non-government guaranteed state enterprise debt totaled TT\$20.3 billion at June 30, 2013, with TT\$12.5 billion representing foreign non-guaranteed debt and TT\$7.8 billion representing local non-guaranteed state enterprise debt. The energy sector accounted for TT\$16.2 billion of non-guaranteed state enterprise debt with the Petroleum Company of Trinidad and Tobago ("Petrotrin") accounting for the largest portion of non-guaranteed state-owned enterprise debt in the contingent liability portfolio.

Government-guaranteed debt also includes certain debt obligations of the Urban Development Corporation of Trinidad and Tobago ("UDeCOTT") of approximately TT\$7.9 billion (U.S.\$1.2 billion) at September 30, 2013. UDeCOTT is currently not in compliance with its financial reporting covenants under the agreements governing certain of its debt obligations. UDeCOTT is currently working towards becoming compliant in its financial reporting and no event of default has been declared with respect to any such debt and UDeCOTT is in compliance with its payment obligations. However, if an event of default is declared or if UDeCOTT's payment obligations are accelerated, the Republic may be required to make payments to UDeCOTT's lenders and bondholders pursuant to the Republic's guarantees of such debt.

## **Risks Relating to Owning the Notes**

***There is no established trading market for the Notes, and the price at which the Notes will trade in the secondary market is uncertain.***

The Notes will be a new issuance of securities with no established trading market. The Republic does not know the extent to which investor interest will lead to the development of an active trading market for the Notes or how liquid that market may become. If the Notes are traded after their initial issuance, they may trade at a price lower than their principal amount, depending on prevailing interest rates, the market for similar securities and general economic conditions in the United States, Trinidad and Tobago and elsewhere. The Republic cannot assure you that a trading market for the Notes will develop or that the price at which the Notes will trade in the secondary market will be sustainable. If an active market for the Notes fails to develop or continue, such failure could harm the trading price of the Notes.

***The Notes contain provisions that permit the Republic to amend any term of the Notes without the consent of all holders.***

The Notes will contain provisions on voting on, and consenting to, future amendments, modifications, changes and waivers to provisions of the Notes that would permit the Republic to amend, modify or change a provision of the Notes, or obtain the waiver of compliance with a provision of the Notes, without the Republic obtaining the consent or affirmative vote of each holder of the Notes. These provisions are commonly referred to as “collective action clauses.” Under the terms of the collective action clauses in the Notes, certain key provisions of the Notes, including, among others, the maturity date, interest rate and other payment terms, may be amended with only the consent of the holders of 75% of the aggregate principal amount of Notes then outstanding. As a result, material terms of the Notes may be amended, modified or eliminated in a manner that is adverse to you without your consent. See “Terms and Conditions of the Notes—Modifications, Amendments and Waivers” in this Offering Circular.

***The ability of holders to transfer the Notes in the United States and certain other jurisdictions will be limited.***

The Notes issued pursuant to this Offering Circular will not be registered under the Securities Act and, therefore, may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws. Offers and sales of the Notes may also be subject to transfer restrictions in other jurisdictions. You should consult your financial or legal advisers for advice concerning applicable transfer restrictions in respect of the Notes.

***The Republic’s credit ratings may not reflect all risks of investment in the Notes.***

The Republic’s credit ratings are an assessment by rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in its credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the Notes. Agency ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization. Each agency’s rating should be evaluated independently of any other agency’s rating.

***An investment in the Notes of a sovereign issuer in an emerging market involves significant risks.***

The Republic is an emerging market economy, and investing in securities of emerging market issuers generally involves risks, including, among others, political, social and economic instability that may affect economic and fiscal results. Instability in the Republic has been, or may be, caused by many different factors, including, among others:

- high international interest rates;
- macroeconomic instability;
- adverse changes in currency exchange rates;

- changes in governmental, economic, tax or other policies;
- economic, social and political instability in its trading partners or neighboring countries;
- unexpected changes in foreign laws and regulations or in trade, monetary or fiscal policies;
- the imposition of trade barriers;
- high inflation, deflation or monetary fluctuations;
- exchange controls;
- wage and price controls;
- the imposition of trade barriers; and
- poor growth rates.

Any of these factors, as well as volatility in the markets for securities similar to the Notes, may adversely affect the liquidity of, and trading market for, the Notes.

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

Securities of the Republic have been, to varying degrees, influenced by economic and market events and conditions in other emerging market countries, such as past economic crises in Mexico, Brazil, Russia and the developing Asian economies. Although economic conditions are different in each country, investors' reactions to developments in one country may affect the securities of issuers in other countries, including the Republic. The price of the Notes might be affected adversely by events elsewhere, especially in Latin American and the Caribbean emerging market economies.

***Holders may have difficulties in obtaining or realizing judgments from courts in the United States or elsewhere against the Republic.***

The Republic is a foreign sovereign state. Consequently, while the Republic has irrevocably submitted to the jurisdiction of U.S. state or federal courts sitting in New York and any appellate court, in any action or proceeding arising out of or relating to this offering, and the Republic has agreed that all claims in respect of such action or proceeding may be heard and determined in such New York state or federal court with respect to the Notes, which are governed by New York law, it may be difficult for holders or the fiscal agent to obtain or realize judgments against the Republic from courts in the United States or elsewhere. See "Terms and Conditions of the Notes – Governing Law and Jurisdiction."

***Federal court decisions in New York create uncertainty regarding the meaning of ranking provisions and could potentially reduce or hinder the ability of sovereign issuers to restructure their debt.***

In litigation in federal courts in New York captioned NML Capital, Ltd. v. Republic of Argentina, the U.S. Court of Appeals for the Second Circuit has ruled that the ranking clause in bonds issued by Argentina prevents Argentina from making payments in respect of the bonds unless it makes pro rata payments on defaulted debt that ranks pari passu with the performing bonds.

If not reviewed by the Supreme Court, the Court of Appeals decision requires ratable payments. The decision could potentially hinder or impede future sovereign debt restructurings and distressed debt management unless sovereign issuers obtain the requisite bondholder consents pursuant to a collective action clause in their debt, such as the collective action clause contained in the Notes. See "Terms and Conditions of the Notes— Events of Default," and "—Modifications, Amendments and Waivers."

## **ENFORCEMENT OF CIVIL LIABILITIES**

No treaty exists between the United States and the Republic for the reciprocal enforcement of foreign judgments. There is doubt as to the enforceability (i) in original actions in the courts of the Republic, of liabilities predicated in whole or in part on the United States federal securities laws and (ii) in the courts of the Republic, of judgments, orders or rulings of United States courts or tribunals obtained in actions predicated upon the civil liability provisions of the United States federal securities laws. Any money judgment or award by any United States federal or New York State court of competent jurisdiction against the Republic in connection with any action governed by New York law would be recognized in the courts of the Republic, and such courts would grant a judgment that can be enforceable against the Republic in the Republic without retrial, of the cause of action, except if such recognition and enforcement were to be obtained under any one of the following circumstances:

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

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

### **USE OF PROCEEDS**

The proceeds of the issuance of the Notes, after deducting estimated offering expenses and the Initial Purchaser's commission and discount, will be used for general budgetary purposes.

## **THE REPUBLIC OF TRINIDAD AND TOBAGO**

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

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

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

At June 30, 2013, the population of the Republic was estimated at 1,340,557 persons, an approximate 0.4% increase from 2012. The population density of the Republic is approximately 258.4 inhabitants per square kilometer. English is the principal and official language in the Republic; Hindi, Spanish, Chinese and French are also spoken.

The Human Development Report 2013 ranks Trinidad and Tobago's level of human development as 67<sup>th</sup> among 187 countries. In 2012, life expectancy was 70.3 years and, as of 2010, the adult literacy rate was 98.8%. In 2013, Trinidad and Tobago was in the upper middle-income range of developing countries.

### **Constitution and Government**

Trinidad and Tobago is a former British colony. Trinidad and Tobago attained internal self-government in 1956 and independence from British rule on August 31, 1962. On August 1, 1976, Trinidad and Tobago became a republic.

Trinidad and Tobago operates under a parliamentary democracy. Under the Republic's constitution, legislative power is vested in the Parliament, which consists of the Senate, the House of Representatives and the President. The President is the head of state, and is chosen by an electoral college, consisting of members of the Senate and the House of Representatives. The President presides for a five-year renewable term. The current President is Mr. Anthony Carmona, who took office after the General Election of May 24, 2010 and was sworn in on March 18, 2013. The current Prime Minister is Mrs. Kamla Persad-Bissessar, who was elected on May 26, 2010. Under the constitution, parliamentary elections are due to be held by mid-2015.

The Senate is comprised of 31 members, all of whom are appointed by the President: 16 in accordance with the advice of the Prime Minister, six in accordance with the advice of the leader of the opposition and nine at the President's discretion as independents. All Senators vacate their seats upon dissolution of Parliament. The House of Representatives is composed of the elected representatives of the 41 constituencies of the Republic and the Speaker of the House. The general direction and control of the government rests with the Cabinet, which is led by the Prime Minister and accountable to the House of Representatives. The Prime Minister is appointed by the President from the ranks of the majority party in the House of Representatives.

Tobago has a unicameral House of Assembly that deals with all matters relating to the administration of the island of Tobago. This body consists of 16 members who serve four-year terms; 12 elected Assemblymen; four Councilors and a Presiding Officer who may or may not be an Assemblyman or a Councilor. Tobago collects revenues on behalf of the Central Government, but receives a net inflow of government funds from the Republic. Tobago's budget is required to be approved by the Parliament of the Republic.

The Republic's judicial power is vested in the Supreme Court, which consists of the High Court of Justice and the Court of Appeal. The Judicial Committee of the Privy Council, sitting in London, England may hear further appeals.

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

### **Membership in International Organizations**

Trinidad and Tobago is a member of the United Nations and the Organization of American States, and many of their respective specialized agencies, including the International Bank for Reconstruction and Development (the "World Bank") and the International Monetary Fund (the "IMF"). Trinidad and Tobago is also affiliated with the International Development Association, the International Fund for Agricultural Development, the International Finance Corporation, the International Labour Organization, the International Maritime Organization and the World Health Organization. The Republic is the headquarters for the Association of Caribbean States, an association including members of CARICOM, Venezuela, Colombia, Mexico, several countries of Central America, the Dominican Republic and Cuba, created with the goal of promoting trade and the sustainable development of the Greater Caribbean and several Latin American countries.

The Republic is also a member of the Caribbean Development Bank (the "CDB") and the Inter-American Development Bank (the "IDB"), whose focus is the economic development of the Caribbean and Latin America. The Republic is a signatory to the World Trade Organization, which succeeded the General Agreement on Tariffs and Trade, as well as the Cotonou Agreement, a trade and aid agreement between the European Union and the developing countries of Africa, the Caribbean and the Pacific. On April 13, 2012, the Republic of Trinidad and Tobago was incorporated as a special member country of the Andean Development Corporation (*Corporacion Andina De Fomento*).

## THE ECONOMY

### Introduction

The Republic believes it has evolved into an economic leader within the Caribbean and a developing force in the regional and global energy industry. The Republic continues to benefit from its commitment to free trade, a dynamic workforce, a stable exchange rate and its natural resources. All of these factors have contributed to a growing economy with prospects for foreign investment.

### Recent Economic Trends

After fifteen years of positive real economic growth, the Republic was adversely affected by the global financial crisis, which contributed to negative growth for calendar years 2009 and 2011, and marginal growth in the calendar year 2010. For calendar year 2012, however, the Republic returned to positive growth, with an expansion in real GDP of 1.2%. This follows a decline of 2.6% in calendar year 2011. This recovery is attributable to the return to growth in the non-petroleum sector, estimated at 1.9%, which was driven by estimated growth of 2.4% in the services sector for 2012. For calendar year 2013, the Republic's real economic growth was forecasted to further strengthen to an estimated 1.6%, attributable to growth in both the petroleum and non-petroleum sectors of an estimated 0.5% and 2.5%, respectively. Growth in the non-petroleum sector is estimated to be driven by growth in manufacturing (6.1%); finance, insurance and real estate (5.3%); construction and quarrying (3.0%); and electricity and water (3.0%).

The overall growth of the domestic economy in 2012 positively affected the labor market, resulting in the creation of jobs and a commensurate decrease in the unemployment rate. The rate of unemployment averaged 5.0% during calendar year 2011 and for the nine months ended September 30, 2012, a decrease from 5.9% in calendar year 2010. For the three months ended September 30, 2012, the unemployment rate was 4.9%, a decrease from the unemployment rate of 5.4% in the prior year period.

The Republic's balance of payments has not been consistent during the years 2008 to 2012, given deficits recorded in 2009 and 2012. Although the overall balance of payments was in deficit for calendar year 2012 of an estimated U.S.\$662.1 million, in 2011 there was an overall surplus of U.S.\$752.6 million. The current account surplus is estimated to be U.S.\$982.2 million for the calendar year 2012, compared to U.S.\$2,898.5 million in calendar year 2011. The capital account balance, however, is estimated to record a deficit of U.S.\$1,581.6 million for calendar year 2012.

The year-on-year inflation rate for fiscal year 2013 was 3.0%, a decrease of 4.7% from the year-on-year inflation rate of 7.7% for fiscal year 2012. The average inflation rate for the nine months ended September 30, 2013 was 5.6%, a decrease of 4.0% from the average inflation rate of 9.6% for the nine months ended September 30, 2012.

In September 2012, in an attempt to stimulate the economy, and with core inflation relatively contained, the Central Bank reduced its main policy rate, the repo rate, to 2.75%. This reduction followed 75 basis points of previous cuts since the end of 2010, leading to reduced lending rates by commercial banks. However, despite the reduction in the repo rate, private sector credit remained subdued and business loans declined. In contrast, volumes of consumer lending and real estate mortgage loans increased.

With low credit demand and large fiscal injections, the Central Bank took measures to manage excess liquidity by requiring commercial banks to roll over maturing fixed deposits held at the Central Bank, and to increase the amount of such deposits by TT\$1.5 billion (U.S.\$235.1 million). In May 2013, having reached its legal ceiling on open market operations of short-term treasury securities, the Central Government issued a TT\$1.0 billion long-term bond to assist in the absorption of liquidity. In addition, the House of Representatives of the Republic has approved an increase in the Central Bank's authorization for open market operations from TT\$5.0 billion (U.S.\$783.7 million) to TT\$15.0 billion (U.S.\$2.35 billion) for issuances of treasury notes and from TT\$15.0 billion (U.S.\$2.35 billion) to TT\$30.0 billion (U.S.\$4.7 billion) for issuances of treasury bills. The measure is currently scheduled for debate in the Senate. The highly liquid financial environment has also led to a further reduction in interest rates, including those on government securities.

On January 30, 2009, the Republic entered into a MOU with CLF, acting for itself and as agent for its affiliates, including CLICO, CIB and BAT. Under the terms of the MOU, CLF agreed to undertake certain measures to correct the financial condition of CIB, CLICO and BAT in order to protect the interests of the depositors, policy holders and creditors of those institutions. Such measures included the sale of CLF's shareholdings in certain entities, including Republic Bank Limited, Methanol Holdings and Caribbean Money Market Brokers Limited, and applying the proceeds of such sales towards correcting the financial imbalances of its affiliates. At that time, CLICO represented approximately 50% of the insurance liabilities in Trinidad and Tobago and, therefore, its distress represented a risk to the financial stability of the Republic.

Against this background, the Central Bank intervened and, with the assistance of the Central Government, sought to restructure CLICO and BAT. The Republic invested TT\$5.0 billion in CLICO in the form of a purchase of ordinary shares of CLICO representing 49.2% of the issued and outstanding shares (TT\$7.25 million) and preference shares in the value of TT\$4.99 billion, and a further investment of TT\$100.0 million in liquidity support to BAT. In addition, the Republic purchased the liabilities of the policyholders and depositors of CLICO and BAT in an amount of approximately TT\$11.6 billion (U.S.\$1.8 billion). Since 2009, the key assets of CLICO, in which approximately 80% of the assets to be divested reside, as well as the assets of BAT and CIB, have appreciated in value. The Republic is currently in an advanced stage of reaching agreement with CLF and the Central Bank on the specific mechanisms by which the divestment is to be conducted and the terms of the repayment of debt using the proceeds of the divestment and other funding from CLF. As a result, the Central Government believes that CLICO's financial condition no longer represents a risk to the financial stability of the Republic.

### **Social and Economic Policy Framework**

In October 2011, the Central Government issued its MTPF, based on the theme "*Innovation for Lasting Prosperity*." The MTPF outlines the Central Governments' perspective and intent to achieve socio-economic transformation based on the following seven interconnected pillars for sustainable development:

- *People-Centered Development.* This pillar is at the heart of the development strategy around which the other pillars coalesce. It focuses on the people of Trinidad and Tobago and their development aspirations and the strategies that allow each individual the opportunity for development through meaningful engagement in education, employment, arts and culture, sport, and family and community initiatives.
- *Poverty Eradication and Social Justice.* This pillar emphasizes economic inclusion and identifies specific annual targets for reduction of poverty (targeted at 2%). It focuses on the protection and care for the most vulnerable members of the Republic: poor children, victims of crime and the differently-abled.
- *National and Personal Security.* This pillar addresses crime and personal safety with the objective of eliminating fear for self and property and to create an environment in which all can enjoy freedom with responsibility.
- *Information and Communication Technologies.* This is an essential element of the infrastructure underpinning the creation of a modern, competitive economy in an information rich, knowledge- and technology-driven world.
- *A More Diversified, Knowledge-Intensive Economy.* This pillar is at the core of building international competitiveness, stimulating new areas of economic growth and moving up the value chain. It places a premium on creating high value jobs and generating wealth across all regions of the country. The thrust is towards building an innovative, highly-skilled work force supported by strong institutions and increased research and development activity as the cornerstones of the economic restructuring effort.
- *Good Governance.* This pillar is characterized by strong institutions responsive to the needs of the citizenry, adherence to a culture of democracy and the principles of accountability, transparency and fairness as well as expanded civic engagement.

- *Foreign Policy.* This pillar underscores the importance of meaningful and decisive engagement with the community of nations and strategic positioning at the regional, hemispheric and wider global levels to the success of Trinidad and Tobago’s development strategy.

The framework articulates the broad strategic direction being taken to restructure and transform the economy and the society, and the necessary policy shifts aimed at managing development. Within the context of the seven development pillars articulated by the government, the main thrusts of the MTPF are:

- to diversify and deepen the production base in order to ensure that in a context of depleting energy resources, the economy will continue to grow and sustain a high standard of living;
- to move the economy up the value chain, increase competitiveness and expand investment both local and foreign;
- to achieve a secure and safe nation and to strengthen the framework, institutions and infrastructure to support human security;
- to expand the capacity of the Republic’s citizens for knowledge accumulation and use, innovation, creativity and entrepreneurial activity; and
- to reduce socio-economic and regional inequalities within the borders of the Republic, move people out of poverty and promote social inclusion through meaningful economic participation.

In this context, the government has set the following five priorities for action over the three-year period from 2011 to 2014. These five priorities are aimed at achieving sustainable economic and social advancement of all citizens.

- *Crime and Law and Order.* The approach to crime containment and reduction is multi-pronged and includes: more effective law enforcement and policing, social interventions aimed at discouraging a lifestyle of crime and violence, reform of the justice system and the legal framework and rehabilitation of offenders. These are to be supported by national strategies for economic recovery, growth and expansion which will create jobs, foster greater economic inclusion and move the Republic in the direction of achieving prosperity for all.
- *Agriculture and Food Security.* Food security is one of the government’s major goals. Its objective is to develop a highly productive agricultural sector that is modernized and internationally competitive and that generates sustainable income levels for producers comparable to those obtained in other sectors of the economy. The agriculture sector must enhance the Republic’s renewable resources and biodiversity and meet the needs of the population for adequate supplies of locally grown, affordable and nutritious food.
- *Health Care Services and Hospitals.* Proactively addressing the challenges of the healthcare system requires a comprehensive approach to reducing the incidence of non-communicable and other infectious diseases, promoting healthy lifestyles, addressing the human resource challenges, improving and creating accessible infrastructure as well as introducing a patient-centered approach to health care. Central to achieving these goals is an effective managerial approach that is guided by a strong legislative and policy framework that guarantees efficient and effective use of resources and is responsive to crisis situations.
- *Economic Growth, Job Creation, Competitiveness and Innovation.* The growth, competitiveness and innovation strategy for the medium-term will center on the government’s efforts to drive innovation and entrepreneurship, support new strategic sectors with the potential for becoming internationally competitive and generate high paying jobs in accordance with the “Decent Work Agenda,” promote cluster development locally and regionally, restructure the energy sector and improve the business environment.

*Poverty Reduction and Human Capital Development.* A major effort will be mounted by the government to reduce the level of poverty, with the intention of eradicating poverty in the long-term. The strategy is to break the cycle of poverty, enable self-sufficiency and create opportunities for wealth generation.

### ***Fiscal Policy***

The Republic's fiscal policy is focused on debt management, financial management, reform of the non-energy tax regime, pension reform, procurement reform and financial sector reform. Through its fiscal policy, the Central Government seeks to encourage investment, diversify the economy and stimulate employment.

The Central Government's objective with respect to overall debt management is to minimize, over the medium to long-term, the cost of meeting its financing needs, while containing its exposure to risk and vulnerability to major economic shocks, as well as ensuring that its debt management policy is consistent with the objectives of the Republic's monetary, fiscal and other macro-economic policies. At September 30, 2012, total public sector external debt was estimated at U.S.\$ 2,128.7 million, which represents an increase of 7.0% from total public sector external debt at September 30, 2011. At September 30, 2012, total domestic debt was TT\$49,846.73 million, representing an increase of 28.4% from total domestic debt at September 30, 2011.

The Republic will continue to make significant improvements to its financial management systems with a view to ensuring greater accountability and transparency in respect of all public funds collected and expended. The Republic is also committed to facilitating the development of a well-functioning capital market to maintain and further improve transparency and coordination among market actors.

After fifteen years of positive real economic growth, the Republic was adversely affected by the global financial crisis, which contributed to negative growth for calendar years 2009 and 2011, and marginal growth in calendar year 2010. For calendar year 2012, however, the Republic returned to positive growth, with an expansion in real GDP of 1.2%. For calendar year 2013, the Republic's real economic growth was forecasted to further strengthen to an estimated 1.6%, attributable to growth in both the petroleum and non-petroleum sectors of an estimated 0.5% and 2.5%, respectively. However, the Republic cannot assure you that such trends will continue in the future. Given the nascent recovery in growth, combined with a year-on-year inflation rate of 3.0% for fiscal year 2013, the Republic's medium-term fiscal framework for 2013 to 2015 aims to achieve the following:

- to strike an appropriate balance between consuming, saving and investing energy revenue with a view to ensuring the continuation of net savings of energy wealth in official reserves and for future generations in the Heritage and Stabilisation Fund (the "HSF"), the Republic's sovereign wealth fund (see "Foreign Trade and Balance of Payments—The Heritage and Stabilisation Fund");
- to seek to put the Republic firmly on track for achieving a balanced budget by 2015/2016, as well as maintaining debt stability. These objectives would be achieved by a return to growth, a gradual reduction in the fuel subsidy and by strengthening tax collection efforts through institutional strengthening and technological enhancements;
- to manage the commitment to transfers and subsidies through appropriate screening and targeting; and
- to attract public and private investment for the energy sector.

Also in fiscal year 2013, the government has undertaken to conduct a comprehensive review of the current tax structure, and, in the interim, has examined several scenarios for arriving at a balanced budget within the proposed timeframe. Three initiatives have been identified:

- *Land and Building Tax.* During the course of 2013/2014, the government intends to establish a tax regime which will cover residential, commercial, agricultural and industrial land. The waiver of tax liabilities which began in 2010 will continue until the framework for implementing this tax is completed.

- *Fuel Subsidies.* The inefficient allocation of resources and the associated budgetary implications of the fuel subsidies are being gradually curtailed.
- *Tax Collection.* The comprehensive tax review will cover the entire tax system, including tax policy, administration, and enforcement. It will encompass all sources of government revenue and focus on tax revenue, including personal and corporate income tax, value-added tax and excise duties as well as capital and property taxes. It will also examine the net benefits to government for charging fees for the goods and services it provides.

### ***Monetary Policy***

The objective of the Republic’s monetary policy in the medium-term is to maintain low inflation rates and stability in the foreign exchange market. The Republic’s monetary policy is formulated and implemented primarily by the Central Bank, which was established under the Central Bank Act of 1964 (as amended, the “Central Bank Act”) and is mandated with the promotion of monetary, credit and exchange conditions that are favorable to the development of the Republic’s economy. In addition, the Central Bank seeks to preserve monetary stability and to maintain, influence and regulate (where applicable) the volume and supply of currency and credit in the Republic. From 2008 to 2012, the Central Bank and other regulatory bodies undertook several initiatives to improve the legislative and regulatory framework governing the Republic’s financial system. Some of these measures included the adoption of the Financial Institutions Act of 2008 (the “FIA”), the Financial Intelligence Unit Act of 2009 and the Securities Act of 2012. Currently, the Central Bank is developing a new insurance bill, a new credit union bill, as well as other initiatives to ensure the continued stability of the financial system.

### ***Trade and Investment Policy***

The Ministry of Trade, Industry and Investment (“MTII”) has a catalytic role to play in building a more diversified, knowledge-intensive economy and engaging in foreign policy and trade at the regional, international and multilateral levels.

To further strengthen Trinidad and Tobago’s objective of ensuring sustainable growth in the economy, the development and expansion of the non-petroleum sector will remain a primary focus for the Central Government over the medium to long-term. This overarching objective will be achieved through the following initiatives:

*Diversification of the Economy.* The Central Government plans to develop six business clusters with the aim of accelerating the diversification of the economy. These business clusters are creative industries, energy, financial services, food sustainability, the maritime industries and tourism.

*Creation of a More Competitive Economy.* The Central Government has created several initiatives targeted at increasing the country’s ability to compete internationally. One outstanding initiative has been the launch of the single electronic window for trade and business facilitation known as “TTBizLink.” TTBizLink now offers processing of many government business services online. The introduction of this service has greatly improved the way business is done in Trinidad and Tobago by reducing the time and cost of undertaking business transactions throughout the country.

*Focus on Sustainable Export-Driven Economic Growth.* The Central Government has initiated measures to grow, expand and diversify the export of goods and services in traditional and non-traditional markets. To this end, the MTII has developed a new trade policy and strategy to guide and inform the country’s export agenda. The main objectives of the policy include:

- to expand market access for Trinidad and Tobago’s goods and services regionally and globally;
- to increase export capacity and competitiveness of value added goods and services, in the energy and non-energy sectors;
- to improve the business and trade-enabling environment;
- to strengthen the institutional framework for trade;
- to mobilize resources to finance the needs of the trade and trade-related sectors of the economy;

- to deepen regional and hemispheric integration and cooperation as a means of increasing leverage when dealing with the international community; and
- to streamline trade policy into the wider macro-economic and development policy-setting regime.

Recently, the Central Government also negotiated new trade agreements to enhance the exports of goods and services from Trinidad and Tobago. The most recent trade agreements signed include the European Partnership Agreement (“EPA”) between CARIFORUM (CARICOM and the Dominican Republic) and the European Union (“EU”) and a Partial Scope Trade Agreement (“PSTA”) with Panama. Other trade agreements currently being negotiated include a CARICOM-Canada Trade Agreement (between CARICOM member states and Canada) and PSTAs between Trinidad and Tobago and Guatemala and Trinidad and Tobago and El Salvador, respectively.

*Increasing Investment.* In order to stimulate and grow inward and domestic investments in the energy and non-energy sectors, the MTII spearheaded the development of an investment policy for Trinidad and Tobago. The overarching goal of the policy is to create an enabling and sustainable environment capable of attracting and retaining investments. The underlying objectives of the policy are:

- to support the diversification thrust of the government;
- to facilitate the expansion of business in the country;
- to create employment opportunities; and
- to promote and engender corporate social responsibility.

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

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

As of September 30, 2013, the Central Government owned an interest in 60 state-owned enterprises in various sectors of the economy, of which 48 were wholly owned, seven were majority-owned and five were minority-owned. The Central Government is indirectly involved in 31 additional entities in addition to these 60 state enterprises. The Central Government held investments in four statutory public utilities: water, power, port services and mass transit.

As of September 30, 2012, total assets of the state-owned enterprise sector were TT\$156,362.1 million, consisting primarily of the energy and energy-based sectors (TT\$90,114.8 million), the financial services sector (TT\$45,012.4 million) and the services sector (TT\$18,160.1 million). Total profits (after tax) of the state-owned enterprise sector were TT\$5,302.4 million for fiscal year 2012, consisting primarily of profits from the energy and energy-based sectors (TT\$4,783.0 million), the financial services sector (TT\$477.6 million) and the manufacturing and agriculture-based sector (TT\$279.0 million). For fiscal year 2012, state-owned enterprises paid TT\$1.96 billion in dividends to the Central Government.

Beginning in 1993, the Central Government embarked on a program aimed at privatization and divestment of its portfolio of investments in state-owned enterprises. See “Public Sector Finances-- Divestment of State-Owned Enterprises and Public Utilities.”

### ***Public Sector Investment***

The Public Sector Investment Programme (“PSIP”) represents the capital expenditure component of the national budget and is the strategic development planning and budgeting management instrument used by the government to translate plans, objectives and strategies into tangible projects and programs, and to guide public sector investment.

From 2008 to 2012, the PSIP continued to focus on capital projects and programs that represent investments in the country's economic and social infrastructure designed to improve the standard of living of the citizens and provide the foundation for economic growth and human development.

The main areas of investment were agriculture, housing, education, roads and bridges, water and sewage. In 2010, the government outlined a medium-term strategy for national development and economic and social transformation focusing on key strategic priorities for development and the PSIP has been closely aligned to the strategic priorities of (i) economic growth, job creation and competitiveness innovation; (ii) poverty reduction and human capital development; (iii) crime, law and order; (iv) agriculture and food security; and (v) health care services and hospitals, with priorities (i) and (ii) receiving an average of 70% of the PSIP allocation.

### ***Tourism***

In keeping with global trends, the government has strengthened its focus on diversifying the economy in order to increase the tourism sector's contribution to GDP, visitor arrivals, jobs, the level of investment in the destination and linkages among the various sectors. In 2012, according to the World Travel and Tourism Council, tourism contributed 4.4% (TT\$6,817.7 million) to the economy of Trinidad and Tobago; this is estimated to increase by 2.6% to TT\$6,992.7 million in 2013.

In an effort to increase the contribution of the tourism sector to GDP, the government is in the process of mapping the strategic direction for the local tourism industry. The development of an industry growth and implementation plan will set forth a strategic vision for Trinidad and Tobago's tourism industry over the next three years, and outline a way forward in accomplishing the goal of repositioning Trinidad and Tobago in the global tourism market.

Plans to increase visitor arrivals and visitor spending include expansion of airlift and an increased number of calls to the destination by cruise ships. In addition, the Central Government intends to embark on a number of initiatives to promote tourism through a national tourism awareness campaign. The government's major initiatives fall under the following broad areas:

- Product development;
- Marketing and public awareness;
- Competitiveness and investment;
- Access, safety and security; and
- Quality assurance.

### ***Social Sector Policies***

The Republic is committed to achieving sustainable growth and human development, while engaging in a process of economic and social transformation, with the hope of engendering greater equity and inclusiveness in the society. The Republic's social sector policy focuses on the process of enhancing human capabilities, one that advocates empowerment and transformation, while at the same time affording adequate social protection to the most vulnerable in society. The Republic's social sector policy emphasizes evidence-based program design, results based implementation, effective targeting and value for money. The Republic's social sector initiatives reflect a greater emphasis on interventions that provide the poor and vulnerable with the necessary skills and attitudes that would allow them to participate sustainably in the labor market, or provide opportunities for self-employment while at the same time recognizing the right of all citizens to an acceptable standard of living.

### ***Environment***

Sound environmental management, protection, and conservation are critical aspects of the Republic's development plan which recognizes the socio-economic importance of environmental balance and ecosystem stability. The Republic's National Environmental Policy provides guidance to ensure balance is maintained between development and environmental sustainability, as well as several other sub-sectoral policies including the Forest Policy, the National Parks and Protected Areas Policy, the Climate Change Policy and the Wetlands Policy. The Environmental Management Act and its subsidiary legislation also provides the legal framework to address

issues pertaining to environmentally sensitive areas and species, certificates of environmental clearance, noise, air, and water pollution. The Central Government also intends to pursue legislation to address issues of waste management. The Republic is also a signatory to several multilateral environmental conventions and continues to implement its national obligations in the areas of climate change, ozone layer protection, biodiversity, transboundary waste movement, persistent organic chemicals and other global environmental concerns.

### Gross Domestic Product

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

	Year Ended December 31,				
	2008	2009	2010	2011	2012 <sup>(1)</sup>
	<i>(annual percentage change unless otherwise indicated)</i>				
Real GDP (in millions of TT dollars).....	92,922.6	88,841.7	89,029.2	86,731.3	87,810.9
Real GDP growth (in percentage terms).....	3.4	(4.4)	0.2	(2.6)	1.2
Petroleum sector .....	(0.3)	(1.8)	3.2	(3.9)	(1.0)
Exploration and Production .....	(1.2)	(0.1)	4.9	(4.4)	(1.0)
Refining .....	5.1	(5.8)	0.6	(5.7)	(4.2)
Petrochemicals .....	(2.8)	8.7	(0.8)	(4.7)	(0.8)
Non-petroleum sector .....	6.5	(4.9)	(2.6)	(0.5)	1.9
Agriculture and Sugar .....	7.6	(32.4)	76.8	(0.1)	(4.9)
Manufacturing <sup>(2)</sup> .....	4.1	1.9	1.2	(1.1)	(0.4)
Food, Beverages and Tobacco .....	8.4	10.1	3.8	1.8	1.5
Chemical & Non-Metallic Minerals.....	(5.4)	(2.6)	2.8	3.5	(0.2)
Services .....	6.9	(5.7)	(3.8)	(0.3)	2.4
Electricity and Water .....	3.0	0.3	0.1	6.4	4.5
Construction and Quarrying.....	4.5	(7.1)	(28.4)	(8.8)	(2.0)
Distribution and Restaurants <sup>(3)</sup> .....	17.6	(20.4)	(9.7)	4.7	1.4
Hotels and Guest Houses .....	(15.4)	21.3	(6.4)	(6.1)	2.0
Transport, Storage and Communication.....	8.4	(0.5)	2.5	(1.0)	1.4
Finance, Insurance and Real Estate.....	3.1	(4.5)	8.1	(0.6)	6.1
Government .....	1.7	19.1	1.2	(0.7)	1.0
Education and Cultural Services .....	(3.9)	4.0	0.9	(0.1)	(0.8)
Personal Services .....	(3.4)	5.1	4.1	(2.6)	2.7

Source: Ministry of Finance and the Economy

(1) Estimated and subject to revision.

(2) Excludes oil refining and petrochemical industries.

(3) Excludes distribution of petrochemical products.

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

	Year Ended December 31,				
	2008	2009	2010	2011	2012 <sup>(1)</sup>
	<i>(percent contribution)</i>				
<b>Petroleum sector</b> .....	<b>39.4</b>	<b>40.5</b>	<b>41.7</b>	<b>41.1</b>	<b>40.2</b>
Exploration and Production .....	21.6	22.6	23.6	23.2	22.7
Refining .....	10.8	10.6	10.7	10.3	9.8
Petrochemicals .....	4.3	4.9	4.8	4.7	4.6
<b>Non-petroleum sector</b> .....	<b>60.1</b>	<b>59.7</b>	<b>58.1</b>	<b>59.3</b>	<b>59.7</b>
Agriculture and Sugar .....	0.6	0.4	0.7	0.7	0.7
Manufacturing <sup>(2)</sup> .....	8.2	8.7	8.8	9.0	8.8
Food, Beverages and Tobacco .....	3.7	4.2	4.4	4.6	4.6
Chemical & Non-Metallic Minerals.....	1.3	1.4	1.4	1.5	1.5
<b>Services</b> .....	<b>51.3</b>	<b>50.6</b>	<b>48.6</b>	<b>49.7</b>	<b>50.2</b>
Electricity and Water .....	1.4	1.4	1.4	1.6	1.6
Construction and Quarrying.....	7.9	7.7	5.5	5.2	5.0

	Year Ended December 31,				
	2008	2009	2010	2011	2012 <sup>(1)</sup>
	<i>(percent contribution)</i>				
Distribution and Restaurants <sup>(3)</sup> .....	13.7	11.4	10.3	11.0	11.1
Hotels and Guest Houses .....	0.2	0.3	0.3	0.3	0.3
Transport, Storage and Communication.....	7.6	7.9	8.1	8.2	8.2
Finance, Insurance and Real Estate.....	12.9	12.9	14.0	14.2	14.9
Government .....	4.5	5.6	5.6	5.8	5.7
Education and Cultural Services .....	1.8	2.0	2.0	2.1	2.0
Personal Services .....	1.2	1.3	1.4	1.4	1.4
FISIM <sup>(4)</sup> .....	(3.3)	(3.5)	(3.2)	(3.2)	(3.3)
Add: Value Added Tax (VAT) .....	3.8	3.3	3.5	2.8	3.4
Gross Domestic Product .....	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Ministry of Finance and the Economy

- (1) Preliminary and subject to revision.  
(2) Excludes oil refining and petrochemical industries.  
(3) Excludes distribution of petrochemical products.  
(4) Financial intermediation services indirectly measured.

## Principal Sectors of the Economy

### Petroleum Sector

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

The energy sector is the single largest contributor to the economy of Trinidad and Tobago, providing 54% of annual government revenue in fiscal year 2012 and an estimated 40.2% of real GDP in 2012. The petrochemical sector alone contributed an estimated 4.6% to real GDP in 2012. However, as a result of maintenance outages in the energy sector (both scheduled and unscheduled) and upgrade work to the offshore energy infrastructure, production in the petroleum sector and the downstream production of petrochemicals declined in 2011 and 2012. The upgrade to the offshore energy infrastructure is expected to be substantially completed by the end of 2013 and is expected to expand production capacity in the energy sector.

Crude oil production operations in the Republic are carried out by a combination of state-owned and private sector international oil companies. The state-owned Petrotrin and its Petrotrin-Trinmar Strategic Business Unit ("Trinmar") accounted for approximately 43.1% of the Republic's production of crude oil and condensate for the nine months ended September 30, 2013. Other significant producers for this period include BP Trinidad and Tobago LLC ("BPTT") (17%), Repsol E&P Trinidad and Tobago Ltd. ("Repsol") (14.88%) and BHP Billiton (Trinidad 2c) Limited (12.77%). Gas produced in Trinidad and Tobago, with the exception of gas sold to Atlantic LNG Company of Trinidad and Tobago ("Atlantic LNG"), Petrotrin and Natural Gas Liquids Phoenix Park Gas Processors Limited ("PPGPL"), is currently sold to The National Gas Company of Trinidad and Tobago, Limited ("NGC"), which in turn transports and supplies the gas to industrial consumers under individual sales contracts.

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

	For years ended December 31,					For nine months ended September 30,
	2008	2009	2010	2011	2012	2013
	<i>(in thousands unless otherwise indicated)</i>					
Crude Oil Production (in barrels).....	41,826	39,119	35,855	33,550	29,915	22,160

	For years ended December 31,					For nine months ended September 30,
	2008	2009	2010	2011	2012	2013
	<i>(in thousands unless otherwise indicated)</i>					
Condensates (in barrels) .....	29,832	30,343	30,781	23,134	12,673	3,689
Daily Average (in barrels/day).....	114,279	107,183	98,276	91,924	81,710	81,388
Natural Gas Liquids (in barrels) .....	13,947	15,899	17,222	16,043	12,890	N/A <sup>(1)</sup>
Crude Oil Resources (in millions of barrels) <sup>(2)</sup> ....	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	N/A <sup>(3)</sup>	723	N/A <sup>(3)</sup>
Crude Oil Total Imports (in barrels) .....	33,414	35,514	24,944	30,426	20,952	N/A <sup>(1)</sup>
Crude Oil (under processing agreements).....	229	145	292	326	248	178
Refinery Throughput (in barrels).....	55,398	55,416	46,167	50,098	39,060	14,385
Refinery Output (in barrels).....	54,862	53,358	54,005	48,227	37,292	13,865
Capacity Utilization (expressed as a percentage of total capacity).....	91	92	77	83	65	80
Crude Oil Exports (in barrels).....	21,300	19,610	16,585	14,461	10,478	N/A <sup>(1)</sup>
Product Exports (in barrels).....	45,766	45,866	35,030	41,218	32,445	N/A <sup>(1)</sup>
Total Meters Drilled .....	151,630	44,383	56,446	112,909	116,179	42,915
Exploration (in meters).....	32,263	5,896	5,822	11,075	17,090	817
Natural Gas Production (in millions of cubic feet/day) .....	4,048	4,183	4,319	4,149	4,122	4,163
Natural Gas Proven Reserves (in trillions of cubic feet) .....	15.37	14.42	13.46	13.26	13.11	N/A <sup>(3)</sup>
Natural Gas Probable Reserves (in trillions of cubic feet) .....	8.45	7.84	7.64	6.04	6.14	N/A <sup>(3)</sup>
Natural Gas Possible Reserves (in trillions of cubic feet) .....	6.29	5.89	5.99	6.16	5.99	N/A <sup>(3)</sup>
Utilization (in millions of cubic feet/day) <sup>(4)</sup> .....	3,710	3,848	4,010	3,851	3,823	3,864
Petrochemicals (in millions of cubic feet/day).....	1,047	1,146	1,190	1,164	1,114	1,099
Electricity Generation (in millions of cubic feet/day).....	266	272	293	304	304	301
Liquefied Natural Gas (in millions of cubic feet/day).....	2,196	2,276	2,321	2,170	2,175	2,239
Methanol Production (in thousands of metric tons).....	5,686	6,111	5,932	5,904	5,491	4,105
Fertilizer Production (in thousands of metric tons).....	5,599	6,168	6,262	5,715	5,453	4,147
Natural Gas Liquids Production (in thousands of barrels).....	12,720	15,899	17,223	16,043	12,890	9,383
Asphalt Production (in tons).....	24.3	19.3	11.0	18.9	N/A <sup>(1)</sup>	N/A <sup>(1)</sup>

Source: Ministry of Energy and Energy Industries.

(1) Figures not available.

(2) Estimates based on estimates of proven and contingent resources. See "Risk Factors—Risks Relating to the Republic—Estimates of the Republic's natural gas and oil reserves are uncertain."

(3) Figures not released.

(4) Utilization refers to gas sales and does not include natural gas consumed.

## Crude Oil

### Exploration and Production

Of the approximately 50 billion square meters area of Trinidad and Tobago, which includes the onshore and offshore areas that extend, approximately, to the 2,000 meter water depth contour, almost 90% is underlain by thick sequences of sedimentary rocks and is thus potentially prospective for hydrocarbons. In the last five years, exploration activity continued in both the onshore and offshore areas, with onshore efforts focused on the Southern Basin, a sub-basin of the Eastern Venezuelan Basin, and offshore efforts focused on the east coast and north coast marine areas in acreage awarded under production-sharing contracts. Exploration activity is expected to continue over the next five years, with land-based efforts mainly involving exploration in the Southern Basin through joint venture arrangements between Petrotrin and foreign and domestic companies. Offshore, the principal focus of exploration will continue to be the east coast and north coast marine areas. On August 17, 2013, the Republic opened its 2013 Deep Water Competitive Bid Round for six offshore blocks located in the East Coast Marine Area and the Trinidad and Tobago Deep Atlantic Area. This Bid Round follows on the success of the 2012 Deepwater

Competitive Bid Round. On October 31, 2013, the Republic concluded its 2013 Onshore Bid Round for three blocks located in the Southern Basin. The Republic received 11 bids from six companies, including Range Resources, Glint Energy, Touchstone and Trinity plc. The Republic is currently reviewing the bids and expects to announce the results of the bid round by December 31, 2013.

During the nine months ended September 30, 2013, the total depth in meters drilled by petroleum companies increased by 7,348 meters, or 9.1%, compared to the nine months ended September 30, 2012, while exploratory drilling figures decreased to 26,979 meters during the nine months ended September 30, 2013 from 39,721 meters during the nine months ended September 30, 2012.

Crude oil and condensate production for the nine months ended September 30, 2013 showed a decrease of approximately 7.4%, or 6,542 barrels per day (“bpd”), to 81,172 bpd from 87,714 bpd for the nine months ended September 30, 2012, primarily as a result of upstream maintenance by gas producers (in the case of condensate) and production downtime as a result of industrial action (in the case of crude oil).

#### *Reserves*

At December 31, 2012, crude oil resources were estimated at 723 million barrels. At May 30, 2013, crude oil resources were estimated at 730 million barrels. The Republic conducted two audits in 2007 and 2011; however, the figures have not yet been officially released.

#### *Refining*

Petrotrin owns and operates the Republic’s only refinery, located at Pointe-à-Pierre, which manufactures petroleum products for both local consumption and export to regional and international markets. Refinery throughput averaged approximately 132,113 bpd for the nine months ended September 30, 2013, compared with 123,815 bpd for the same period in 2012. Refinery output averaged 128,201 bpd for the nine months ended September 30, 2013, an increase of 9% compared with 117,881 bpd for the same period in 2012.

#### *Processing Agreements*

Domestic crude oil production is supplemented with crude oil imported either through direct purchase agreements or under third-party processing agreements. Petrotrin currently processes crude oil under an agreement with the Barbados National Oil Company (“BNOC”). Pursuant to the agreement with BNOC, for the nine months ended September 30, 2013, Petrotrin processed approximately 1,033 bpd of Barbados crude oil.

#### *Natural Gas*

The Republic’s first major natural gas discovery was made in 1968 and there are currently 30 fields producing gas in commercial quantities. As of December 31, 2012, total proven reserves of natural gas were 13.11 trillion cubic feet, yielding a reserve life of approximately 10 years at current rates of production. Probable reserves were 6.14 trillion cubic feet, while possible reserves were approximately 5.99 trillion cubic feet. The Central Government’s policies with respect to the use of these reserves include promoting the development of a range of petrochemical and other gas-based industries and encouraging local and foreign investment.

The production of natural gas declined by 1.1% in 2012 compared to 2011, to approximately 4.1 billion cubic feet per day. Natural gas consumption by companies at Point Lisas and by the Power Generation Company of Trinidad and Tobago Limited and Trinidad Generation Unlimited also decreased by approximately 3.4% in 2012 compared to 2011, to 1,418 million cubic feet per day. The largest user of natural gas in 2012 was Atlantic LNG (60%), followed by the Petrochemicals subsector (31%) and the Electricity and Water segment (8%).

In 2012, approximately 88% of the Republic’s natural gas was supplied by four major suppliers, all of whom operate in the north, east and southeast marine areas of the Republic. Smaller quantities of associated gas are produced off the southwest coast and onshore by Trinmar and Petrotrin. BPTT is the largest supplier of natural gas, supplying approximately 51.4% in 2012. British Gas Trinidad and Tobago Ltd, BHP Billiton (Trinidad 2c) Limited and EOG Resources each supplied 23.7%, 10.5% and 13.2%, respectively, in 2012 of the Republic’s natural gas requirements.

NGC also operates two compressor platforms in which low pressure associated gas from Repsol's oil production operations in the Teak, Samaan and Poui Fields located off the east coast marine area is collected and compressed. This supply is returned to Repsol for gaslifting of the oil wells. Installed compression capacity is currently 100 million cubic feet per day, but supply volumes are limited by the availability of associated gas from Repsol's (formally BPTT's) facilities. Gas supplied from these facilities accounted for 18.21 million cubic feet per day or approximately 0.47% of gas sold in 2012.

#### *Petrochemicals*

In 2012, production and export of ammonia, methanol, urea and urea-ammonium nitrate ("UAN") decreased, when compared to 2011. The decreased production and export of ammonia, methanol and urea were due to plant repairs, turnarounds, plant outages and natural gas curtailments. Melamine production and exports increased in 2012 as compared to 2011.

Average prices for ammonia, methanol and urea were higher in 2012 as compared to 2011, while for UAN and melamine, average prices were lower during 2012 than 2011.

*Methanol.* Methanol manufacturing accounts for 45% of the Republic's gas-based petrochemical production capacity. Trinidad and Tobago is the leading exporter of methanol with seven methanol plants (including two of the largest methanol plants in the world, Atlas Methanol and M5000) and total production capacity of 6.5 million metric tons per year. Methanol is primarily used to produce formaldehyde, methyl tertiary butyl ether and acetic acid. There is also growing demand for methanol in fuel applications such as dimethyl ether, biodiesel and for direct blending into gasoline.

Total methanol production for 2012 decreased by 7.0% to 5.49 million MT as compared to 5.90 million MT in 2011. The production decline was mainly due to unplanned and planned facility shutdowns, as well as rate reductions due to natural gas supply restrictions.

Total methanol exported during 2012 decreased by 4.2% to 5.55 million MT as compared to 5.79 million MT in 2011. The average U.S. Gulf Barge spot free on board price for methanol for 2012 was U.S.\$385/MT, an increase of 4.4% from U.S.\$370/MT in 2011.

*Ammonia.* Trinidad and Tobago is currently the world's largest exporter of ammonia and also provides the largest portion of the U.S. offshore ammonia supply (approximately 70%). Ammonia demand is primarily driven by urea consumption, which is mainly a function of fertilizer demand.

Total ammonia production from the Republic's 11 ammonia plants (including the Ammonia-Urea Ammonium Nitrate-Melamine ("AUM") I Complex) for 2012 decreased by 4.5% to 4.9 million MT as compared to 5.72 million MT in 2011. The production decline was mainly due to unplanned and planned facility shutdowns, as well as rate reductions due to natural gas supply restrictions.

Total ammonia exported during 2012 (with production from the AUM I Complex diverted into the export streams of the CNC and N2000 ammonia plants) decreased 2.9% to 4.53 million MT as compared to 4.67 million MT in 2011. The average Caribbean price for ammonia for 2012 was U.S.\$560/MT, a 3.3% increase from the average price in 2011 of U.S.\$535/MT.

*Urea.* Urea is the most widely-produced and commonly-traded nitrogen fertilizer. An estimated 10-15% of urea manufactured is used in industrial processes, such as urea-formaldehyde resins, the synthesis of melamine, in adhesives and paints, and for laminates, moulding compounds, impregnating paper and textiles. The balance is used in agriculture.

Global production of urea is approximately 150 million MT, of which approximately 40 million MT is traded internationally. Urea is produced in nearly 50 countries worldwide and consumed in every developed agricultural market. The largest producers are companies in China and India. The main exporters are producers in areas where feedstock costs are lowest, notably the Middle East, Russia, Ukraine and the Caribbean. The urea

sector accounts for approximately 5% of gas-based petrochemical production capacity in Trinidad and Tobago. The Republic's urea plant has production capacity of 0.73 million metric tons per year.

Total urea production during 2012 decreased 8.9% to 0.57 million MT as compared to 0.63 million MT in 2011. The production loss was mainly due to mechanical issues at the urea plant.

Total urea exported during 2012 decreased 15.9% to 0.54 million MT compared to 0.65 million MT in 2011. The average U.S. Gulf Granular Barge price for urea for 2012 increased 14.2% to U.S.\$449/MT compared to U.S.\$393/MT in 2011.

*UAN.* UAN is made by dissolving urea and ammonium nitrate in water. The aqueous solution may contain different percentages of nitrogen by weight, and this is denoted by a number being placed after the acronym UAN. Trinidad and Tobago manufactures UAN32, which is comprised of 32% nitrogen, by weight. Liquid UAN solution is popular because the UAN can be applied more uniformly than non-liquid forms of fertilizer (such as urea). It also is more versatile as it can be mixed with herbicides, pesticides, and other nutrients, permitting farmers to reduce costs by applying several materials simultaneously rather than making several separate applications.

Total UAN production during 2012 decreased 4.9% to 1.37 million MT as compared to 1.44 million MT in 2011. The production loss was mainly due to downtime of the ammonia plant and rate reductions due to natural gas supply restrictions.

Total UAN exported for 2012 decreased 11.3% to 1.33 million MT compared to 1.51 million MT in 2011. The average U.S. Gulf NOLA Barge price for UAN during 2012 decreased 3.7% to U.S.\$285/MT as compared to U.S.\$296/MT in 2011.

*Melamine.* Melamine is used to make moulding powder that is used in dinnerware, coatings in cars, fan coils and appliances. Other uses include adhesive resins, which are used for making wood panels for construction of kitchens, bathrooms, furniture and flooring. The construction and automotive industries are strong growth drivers for melamine.

Total melamine production for 2012 increased 16.5% to 46,359 MT as compared to 39,784 MT in 2011. The production gain was mainly due to downtime of the ammonia plant and rate reductions due to natural gas supply restrictions.

Total melamine exported for 2012 increased 12.2% to 45,772 MT compared to 40,805 MT in 2011. The average U.S. Gulf price for melamine during 2012 decreased 8.6% to U.S.\$2,108/MT as compared to U.S.\$2,305/MT in 2011.

#### *Natural Gas Liquids*

PPGPL is a joint venture among the state-owned NGC, through its subsidiary Trinidad and Tobago Holdings LLC (39%), NGC NGL (51%) and Pan West Engineers and Constructors Inc. (10%). NGC NGL is a joint venture between NGC (80%) and NEL (20%). The facility processes "wet gas" supplied by NGC and Petrotrin from offshore fields, as well as propane-butane-condensate supplied by Atlantic LNG. Residual gas that is clean and dry is returned to the NGC for delivery to downstream users and the natural gas liquids ("NGLs") that are separated from the gas undergoes fractionation to propane, butane and natural gasoline.

*Propane.* Total propane production in 2012 was 4.47 million bbl, representing a 23.4% decrease from production of 5.84 million bbl in 2011. Total propane exported in 2012 was 3.78 million bbls, representing a 34.4% decrease from 5.93 million bbls in 2011. The average price for propane in 2012 was U.S.\$1.00/gallon, a decrease from the average price in 2011 of U.S.\$1.46/gallon.

*Butane.* Total butane production in 2012 was 3.6 million bbl, representing a 20.2% decrease from production of 4.51 million bbl in 2011. Total butane exported in 2012 was 3.13 million bbls, representing a 29.9% decrease from 4.47 million bbls 2011. The average price for butane in 2012 was U.S.\$1.65/gallon, a decrease from the average price in 2011 of U.S.\$1.86/gallon.

*Natural Gasoline.* Total natural gasoline production in 2012 was 4.82 million bbl, representing a 15.3% decrease from production of 5.69 million bbl in 2011. Total natural gasoline exported in 2012 was 4.54 million bbls, representing a 18.6% decrease from 5.58 million bbls in 2011. The average price for natural gasoline in 2012 was U.S.\$2.34/gallon, an increase from the average price in 2011 of U.S.\$2.14/gallon.

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

The Republic is in the process of developing and implementing new policies to shape the future of its energy sector. These new policies are aimed at enabling the Republic to better leverage its energy resources and accomplish the following objectives:

- Increase current production in the oil and gas industry.
- Reduce the rate of depletion of non-renewable natural resources.
- Diversify the Republic's sources of energy to reduce its economic dependency on oil and gas and contribute positively towards the global effort to address climate change and global warming.
- Expand the energy sector on a global scale.

The Ministry of Energy mandated a study of the Republic's use of its energy resources and potential renewable energy sources resulting in the development of a green paper to better inform its policy development. The summary below is a brief overview of the current status and direction of the Republic's energy policies under development.

### *Oil and Gas Production*

Through the use of various fiscal incentives, the Republic has leveraged, and intends to further leverage, its oil and gas resources. For example, the Republic intends to award higher capital allowances for oil and gas development to enable firms to recover the cost of investing in the Republic's petroleum industry. Competitive bid rounds are underway and bids are being reviewed to award development contracts. Producers are currently engaged in maintenance and upgrade work scheduled to be substantially completed by the end of calendar year 2013. Together with the impact of such upgrades, the Republic expects that its planned policies for the energy industry will spur increased production.

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

Although the Republic intends to increase production in the petroleum sector, given the non-renewable nature of its petroleum resources, the Republic is seeking to reduce the rate of depletion of its petroleum resources. One of the Republic's initiatives in this regard is to transition to the use of compressed natural gas as an alternative fuel for transportation. The Republic has passed legislation and is reviewing the infrastructure requirements to develop fueling stations to implement the use of compressed natural gas for transportation. As a part of this initiative, public busses will be transitioned to operate on compressed natural gas. The initial phase of this initiative to establish the necessary infrastructure is expected to take approximately three years.

Apart from the use of compressed natural gas, the Republic is using various incentives to encourage the conservation of energy. Some other areas in which the Republic has taken steps to conserving energy have been through amending its wiring code as well as reviewing power purchase agreements and optimizing its methods of billing.

### *Development of Renewable Energy*

The Republic is currently reviewing various opportunities to develop renewable sources of energy to enable it to become less dependent on its petroleum resources and reduce its global footprint. Currently, the Republic either has started or is about to start assessment programs to determine the feasibility of harnessing solar, waste and wind energy as alternative energy sources.

### *Global Expansion of the Energy Sector*

The Republic plans to expand its energy sector globally. In addition to exporting its petroleum production, the Republic plans to engage in international energy development projects. Currently, Trinidad and Tobago is reviewing its potential engagement in two projects to develop pipelines in African countries.

### ***Non-petroleum Sector***

#### ***Services Sub-Sector***

##### ***Finance, Insurance and Real Estate Segment.***

The largest segment in the non-petroleum sector is the finance, insurance and real estate segment, which accounted for approximately 14.9% of GDP in calendar year 2012. The finance, insurance and real estate segment's contribution to real GDP sector has risen noticeably, reaching TT\$13,101.3 million in calendar year 2012, from TT\$12,349.7 million in calendar year 2011.

##### ***Distribution and Restaurants and Transportation, Storage and Communications Segments.***

The distribution and restaurants segment together with the transportation, storage and communication segment accounted for an estimated 19.3% of GDP in calendar year 2012. This segment is characterized by an extensive transportation network, which handles the distribution of goods throughout the economy at the industrial and retail levels.

The Republic has a road network of over 9,592 kilometers (5,960 miles). Virtually all internal cargo transportation is by truck. Piarco International Airport, located approximately 13 miles from Port of Spain, is one of the busiest airports in the Caribbean and offers regularly scheduled international services. Caribbean Airlines is the national airline in the Republic, providing international service. Caribbean Airlines also provides domestic service between the island of Trinidad and the island of Tobago.

The Republic is a port of call for many North American and European shipping lines. The major ports are Port of Spain and Port of Point Lisas. Home porting for yachts and the yacht refurbishment business have also developed along the northwest peninsula.

The transportation, storage and communications segment accounted for an estimated 8.2% of real GDP in calendar year 2012, the same as in calendar year 2011. This segment expanded by 1.4% in calendar year 2012, an increase over the 1% contraction recorded in calendar year 2011. The Republic has telephone and cable services that provide access to all major countries. Seven operators are authorized to provide fixed domestic telephone services to the public. Of these, only three actually provide these services. Two domestic mobile telephone service providers, TSTT and Digicel Trinidad and Tobago Limited are authorized to provide mobile services on a national basis. There are nine free-to-air television broadcasting companies in Trinidad and Tobago. One AM and 37 FM radio stations currently provide radio services to the Republic. Two cable companies provide access to cable television throughout Trinidad and Tobago. Currently, seven companies provide full Internet access to local subscribers. The rate of Internet access in Trinidad and Tobago was 59.5% for the year ended December 31, 2012.

##### ***Construction and Quarrying Segment.***

The construction and quarrying segment has experienced four consecutive years of decline beginning in 2009, primarily as a result of challenges in the implementation of the Central Government's PSIP and a slowdown in development projects in the petroleum sector. The PSIP is a program that outlines all Central Government capital projects planned for the next fiscal year, and allocates funds from the budget to such plans.

Real economic activity in the construction and quarrying segment contracted by 2.0% in calendar year 2012, following a larger contraction of 8.8% in calendar year 2011. This segment's contribution to GDP in calendar year 2012 was estimated at 5.0%, slightly down from 5.2% in calendar year 2011. Expenditures in constant terms for calendar year 2012 were estimated at TT\$4,389.2 million, which was TT\$89.6 million less than in calendar year 2011.

### *Airline and Cruise Ship Arrivals.*

The Central Government is committed to developing a sustainable industry with an emphasis on ecotourism and dive and events tourism, in addition to the traditional leisure tourism and honeymoon markets.

The total number of visitors to the Republic, by air and cruise, grew moderately between 2008 and 2012, from 481,784 persons to 503,958 persons, a rise of 4.6%. The largest increase in arrivals occurred in 2012, when the number of passengers landing grew by 2.6% from 2011. The positive outturn for 2012 is attributable to approximately 454,683 air passengers landing in 2012, a 5.5% increase from the 430,922 air passengers which arrived in 2011. Air arrivals have steadily risen between 2010 and 2012, and it is expected to continue its upward trajectory during 2013 as several new airlift agreements with foreign airlines and tour operators take effect.

A total of 69 cruise ships moored in the Republic in 2012, a 16.9% increase from the 59 cruise ships which harbored in 2011. Notwithstanding this increase in the number of cruise ships that moored in the Republic, the number of cruise passengers declined by 18.4% to 49,275 persons, in 2012, from 60,356 persons in 2011. This decline is attributable to a 29.5% drop in the number of cruise passengers visiting Tobago in 2012, which outweighed a 13.4% rise in the number of cruise passengers visiting Trinidad.

The following table sets forth key statistics on the tourism industry for the years indicated.

	<b>Year Ended December 31,</b>			
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Total air and cruise visitor arrivals .....	486,652	487,014	491,278	503,958
Cruise passengers.....	114,763	102,315	60,356	49,275
Airline passengers.....	371,889	384,699	430,922	454,683
Yacht vessel arrivals .....	1,379	1,080	1,271	1,471

*Source: Port Authority of Trinidad and Tobago; Ministry of Tourism; Central Statistical Office; Immigration Division.*

### ***Manufacturing Sub-Sector***

During calendar year 2012, Trinidad and Tobago's manufacturing sector is estimated to have declined marginally in real terms, by 0.4%, following a 1.1% decline in 2011. Sluggish demand from the Caribbean region on account of weak global economic growth, and disruptions in the production of cement and cement related products in the wake of a prolonged strike in the local cement industry, significantly contributed to this outcome.

Most manufacturing sub-sectors recorded lower levels of economic activity during 2012, including chemicals and non-metallic minerals (0.2%), and assembly type and related industries (8.1%), the second and third largest manufacturing sub-sectors. The performance of the former was negatively affected by a substantial decline in the production of cement and concrete products on account of the strike. In contrast, positive growth of 1.5% was recorded in the largest manufacturing sub-sector, food, beverages and tobacco, during the calendar year 2012, which was marginally lower than its 1.8% expansion in calendar year 2011.

Trinidad and Tobago's manufacturing sector is estimated to register positive growth in 2013, driven by a recovery in cement production.

### ***Agriculture Sub-Sector***

The agricultural sector is estimated to have contracted by 4.9% in calendar year 2012, a further weakening from its relatively flat performance of negative 0.1% in calendar year 2011. Accounting for the contraction in 2012 is a decline of 13.0% in the distilleries sub-sector, which follows a smaller decline of 5.0% in 2011. A contraction of 19.6% is also estimated in export agriculture, following 13.3% growth in 2011. In contrast, the domestic agriculture sub-sector, which represents almost two-thirds of all agricultural output, remained somewhat flat with 0.3% growth in 2012, down from 3.5% in 2011. The agricultural sector's share of real GDP remained stable for the third consecutive year at 0.7% in 2012.

The agricultural sector was forecasted to register strong performance in calendar year 2013, with estimated growth of 5.1%. This growth in 2013 is primarily as a result of output from the government’s large commercial farms program, as the Republic seeks to both reduce its food import bill and also generate surplus agricultural produce for export.

## Inflation

Inflation, as measured by the annual average change in the RPI, experienced some volatility over the period 2008 to 2012. After initially recording average inflation of 12.0% in 2008, the inflation rate slowed to 7.0% in 2009, increased to 10.6% in 2010 and then fell sharply to 5.1% in 2011. The inflation rate rose to 9.2% in 2012, which, although higher than the previous year, remained below the inflation rate for 2008. For fiscal year 2013, the year-on-year inflation rate was 3.0%, a decrease of 4.7% from the year-on-year inflation rate of 7.7% for fiscal year 2012. For the nine months ended September 30, 2013, the average inflation rate was 5.6%, a decrease of 4.0% from the average inflation rate of 9.6% for the nine months ended September 30, 2012. The decrease in the inflation rate in 2013 was primarily the result of lower inflation rates for food and non-alcoholic beverages, housing and recreation and culture.

The changes in the inflation rate mirrored movements in the rate of food inflation, which has been the more volatile component of domestic inflation. Food inflation was 25.9% in 2008, declining to 12.7% in 2009, increasing to 22.2% in 2010 and declining again to 10.4% in 2011. The rate of inflation in food prices increased to 19.1% in 2012 and, for fiscal year 2013, was 3.0%. The adverse impact of international supply shocks and growing demand helped push prices upwards in 2012. Trinidad and Tobago remains susceptible to these factors due to the country’s continued dependence on imported food items.

From 2008 to 2012, “core” inflation (inflation excluding the impact of food prices) remained relatively contained, signifying stability within underlying inflation. Core inflation decelerated sharply from 6.2% in 2008 to 2.5% in 2012. During this period, core inflation was its lowest in 2011 (1.7%) following rates of 4.2% in 2009 and 4.3% in 2010. The sub-sectors showing the more prominent slowdowns included hotels, cafes and restaurants (from 20.0% in 2008 to 3.3% in 2012), education (from 13.8% in 2008 to 2.8% in 2012) and alcohol, beverages and tobacco (from 12.8% in 2008 to 3.6% in 2012). Year-on-year core inflation for fiscal year 2013 was 2.9%.

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

	Year Ended December 31,					
	2008 <sup>(1)</sup>	2009 <sup>(1)</sup>	2010 <sup>(1)</sup>	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(2)</sup>
Inflation .....	12.0%	7.0%	10.6%	5.1%	9.2%	5.6%

Source: Central Statistical Office.

(1) Figures are based on the annual average for the stated year.

(2) Based on the nine month average for the nine months ended September 30, 2013. The year-on-year inflation rate for fiscal year 2013 was 3.0%.

The segments used for inflation are different from those used for other economic indicators.

## Employment

The rate of unemployment averaged 5.0% during calendar year 2011 and for the nine months ended September 30, 2012, a decrease from 5.9% in calendar year 2010. This low level of unemployment reflected the Central Government’s commitment to creating sustainable employment opportunities for its citizens in order to enhance their quality of life and alleviate poverty. The Central Government supports this commitment through short-term fiscal and monetary policy, numerous skills enhancement and temporary unemployment relief programs, as well as the continued use of monetary policy to encourage expansion and employment by the private sector in the long-term.

In 2012, the number of persons with jobs increased by 10,500 from 585,300 in 2011. The most significant gain occurred in the wholesale/retail trade, restaurant and hotels segment, where an additional 5,300 persons were employed during 2012 as compared to 2011.

The following table sets forth the average annual (unless otherwise stated) unemployment rate as a percentage of the labor force for the periods indicated.

	Year Ended December 31,				
	2008	2009	2010	2011	2012
Unemployment Rate .....	4.6%	5.3%	5.9%	5.0% <sup>(1)</sup>	5.0% <sup>(2)</sup>

Source: Central Statistical Office.

(1) For the period April 1, 2011 to December 31, 2011.

(2) For the nine months ended September 30, 2012.

The following table sets forth the average annual (unless otherwise stated) sectoral, sub-sectoral and segmental distribution of employment by number and percentage of the labor force for the periods indicated.

	Year Ended December 31,									
	2008	%	2009	%	2010	%	2011 <sup>(1)</sup>	%	2012 <sup>(2)</sup>	%
<i>(in thousands unless otherwise indicated)</i>										
Agriculture .....	22.6	3.6	22.5	3.6	21.4	3.5	21.7	3.5	21.9	3.5
Petroleum Sector (includes mining and quarrying) .....	21.1	3.4	20.4	3.3	19.4	3.1	19.9	3.2	21.2	3.4
Manufacturing .....	55.1	8.8	51.9	8.4	51.3	8.3	49.1	8.0	47.7	7.6
Construction (includes electricity and water) .....	116.4	18.6	113.4	18.3	100.6	16.2	97.7	15.8	99.7	15.9
Transport, Storage & Communication .....	41.1	6.6	39.7	6.4	37.9	6.1	40.8	6.6	41.9	6.7
Wholesale/Retail Trade, Restaurants & Hotels .....	108.2	17.3	107.2	17.3	107.6	17.4	105.0	17.0	110.3	17.6
Finance, Insurance, Real-Estate & Bus Services .....	52.6	8.4	49.1	7.9	50.1	8.1	55.3	9.0	54.7	8.7
Community Social & Personal Services .....	179.5	28.6	182.6	29.4	192.4	31.1	193.9	31.4	196.7	31.4
Not Classified .....	0.7	0.1	1.3	0.2	1.4	0.2	2.0	0.3	1.6	0.3
Total Employment .....	597.7	95.4	588.4	94.7	582.1	94.1	585.3	94.9	595.8	95.0

Source: Central Statistical Office.

(1) For the period April 1, 2011 to December 31, 2011

(2) For the nine months ended September 30, 2012

The segments used for employment rates are different from those used for other economic indicators.

## Pension System

The pension system in the Republic has multiple components that can be categorized in at least three layers. The first layer is a non-contributory pension that benefits individuals who are 65 years of age or older and whose earnings are below a defined threshold. This benefit is referred to as the Senior Citizens Pension and is administered by the Central Government. The second layer is a contributory, mandatory, defined benefit system managed by the National Insurance Board ("NIB"). This NIB system covers all salaried workers, in both the public and private sector, and provides pensions for individuals who are 65 years of age or older, or 60 and older if retired from work. The third layer of benefits corresponds to occupational pension plans, which are offered by some employers in the private sector, and public sector pensions, which are available to all monthly-paid public sector employees. The Central Government administers the monthly-paid plan as a non-contributory pay-as-you-go system. Finally, individuals can buy annuity products and other long-term savings vehicles from financial institutions directly.

## Litigation

Neither the Republic nor the Central Government (including, but not limited to, any Ministry, Department or Subdivision of the Central Government) is involved in any litigation or arbitration proceeding that is material in the context of this issuance of notes. The Republic is not aware of any material litigation or arbitration proceeding that is pending or being threatened against the Republic or the Central Government (including, but not limited to, any Ministry, Department or Subdivision of the Central Government).

## FOREIGN TRADE AND BALANCE OF PAYMENTS

### Balance of Payments

The Republic's external accounts are estimated to have registered an overall deficit of U.S.\$622 million (2.6% of GDP) in 2012, compared to a surplus of U.S.\$752.6 million in 2011. This decline was mostly due to a reduction in the current account surplus, which was negatively affected by plant outages and maintenance activity in the energy sector. The capital account recorded a deficit of U.S.\$2,170.6 million in 2012 and was linked mainly to private sector outflows. At the end of 2012, the level of gross official reserves amounted to U.S.\$9,200.7 million, or the equivalent of 10.4 months of prospective imports of goods and non-factor services. For the six-months ended June 30, 2013, estimates indicate that there has been a modest improvement in energy sector output leading to a recovery in the balance of payments. The estimated balance of payments surplus for the six months ended June 30, 2013 is reported at U.S.\$195.0 million, compared with a deficit of U.S.\$87.9 million in the same six-month period in 2012. Gross official reserves amounted to U.S.\$9,395.7 million at June 30, 2013, which is equivalent to 10.5 months of prospective imports of goods and services.

The following table sets forth the balance of payments of the Republic for the periods indicated.

	At or for the Year Ended December 31,					At or for the Six Months Ended June 30,
	2008	2009	2010	2011	2012	2013
	<i>(in millions of U.S. dollars)</i>					
<b>Current Account</b> .....	<b>8,499.0</b>	<b>1,632.8</b>	<b>4,172.3</b>	<b>2,898.5</b>	<b>982.2</b>	<b>600.1</b>
Merchandise.....	9,070.4	2,241.2	4,735.4	5,433.0	3,918.4	1,721.8
Services.....	609.7	381.7	487.6	506.3	411.9	370.2
Income .....	(1,228.0)	(1,017.1)	(1,079.5)	(3,073.9)	(3,387.2)	(1,507.4)
Transfers .....	46.9	27.0	28.8	33.1	39.1	15.5
<b>Capital Account</b> .....	<b>(5,210.3)</b>	<b>(2,436.4)</b>	<b>(4,012.9)</b>	<b>(772.8)</b>	<b>(2,170.6)</b>	<b>22.9</b>
Official.....	(114.7)	(50.3)	(178.8)	204.8	(27.9)	(17.0)
State-Owned Enterprises.....	(10.7)	(10.7)	(10.5)	(11.2)	(11.2)	(5.6)
Private Sector.....	(5,314.3)	(2,375.4)	(4,181.2)	(966.4)	(2,131.5)	45.5
Errors and Omissions.....	(583.2)	(91.0)	259.0	(1,373.2)	566.4	(427.9)
<b>Overall Surplus (Deficit)</b> .....	<b>2,705.5</b>	<b>(712.6)</b>	<b>418.4</b>	<b>752.6</b>	<b>(622.0)</b>	<b>195.0</b>
Change in Reserves.....	(2,705.5)	712.6	(418.4)	(752.6)	622.0	(195.0)
<b>Other Items:</b>						
<b>Exports-Energy</b> .....	<b>16,772.9</b>	<b>7,939.8</b>	<b>9,435.2</b>	<b>12,709.7</b>	<b>10,569.3</b>	<b>5,035.9</b>
Non-energy .....	1,874.2	1,281.5	1,803.7	2,234.2	2,414.1	888.7
<b>Gross Official Reserves</b> .....	<b>9,380.2</b>	<b>8,651.6</b>	<b>9,070.0</b>	<b>9,822.7</b>	<b>9,200.7</b>	<b>9,395.7</b>
<b>Import Cover (months)<sup>(1)</sup></b> .....	<b>11.5</b>	<b>11.9</b>	<b>13.1</b>	<b>13.5</b>	<b>10.4</b>	<b>10.5</b>

Source: Central Bank.

(1) Import cover represents the number of months of projected imports of goods and non-factor services that gross official reserves will cover.

### Current Account

Following a surplus of 12.3% of GDP (U.S.\$2,898.5 million) in 2011, the external current account posted a weaker surplus of 4.1% of GDP (U.S.\$982.2 million) in 2012. Most of this reduction was due to the merchandise trade account which was impacted by the decline in the energy sector and slow global economic recovery. The estimated merchandise trade balance fell by 27.9% to U.S.\$3,918.4 million, as exports declined sharply in the petrochemical and petroleum sectors. Petrochemical exports fell by 46.9% to U.S.\$2,259.9 million, while petroleum exports fell by 7.8% to U.S.\$4,803.9 million. In the petrochemical industry, there were significant outages in 2012 at some of the country's larger plants, including the Atlas Methanol facility in January and February and M5000 in April and May. Both of these plants were also down in September and October 2012, along with the smaller Trinidad and Tobago Methanol Company plant, as part of a coordinated maintenance effort throughout the domestic energy industry. The reduction in energy exports were partly offset by a small increase of

8.1% in non-energy exports. Merchandise imports amounted to U.S.\$9,065 million and were 4.7% lower than in 2011.

### **Capital Account**

In contrast with the positive performance in the current account, the capital and financial account recorded a deficit of U.S.\$2,170.6 million in 2012. Net foreign direct investment inflows remained virtually unchanged at U.S.\$772.0 million, compared to the U.S.\$770.6 million recorded in 2011. During the year, net foreign direct investments were directed mainly to the energy sector and originated primarily from North America. Commercial banks increased their holdings of foreign assets by augmenting their holdings of U.S. treasury bills as well as equity investments in non-resident institutions. According to preliminary estimates, some net outflows of private sector capital originated from loans (U.S.\$897.8 million) and transactions involving currency and deposits (\$350.5 million).

On official capital transactions, the Republic registered a deficit of U.S.\$27.9 million in 2012, compared with a surplus of U.S.\$204.8 million in 2011. This movement was primarily due to substantially lower Central Government borrowing. As loans from commercial banks were fully disbursed in 2011, disbursements in 2012 amounted to U.S.\$86.8 million, which was significantly lower than the U.S.\$311 million in 2011. Total debt service amounted to U.S.\$177.5 million, compared with debt service of U.S.\$179.2 million in the corresponding prior year period.

### **Geographic Distribution of Trade**

The Republic has liberalized its markets and moved away from the use of protectionist policies. As a result the total volume of merchandise trade between the Republic and the rest of the world was on a gradual upward trend and peaked in 2008, with exports reaching U.S.\$18,647.1 million. The adverse effects of the global financial crisis led to a sharp contraction in exports by 50.5% to U.S.\$9,221.4 million in 2009. However, since then, total exports have been gradually recovering and rose to U.S.\$14,943.9 million in 2012.

The United States continued to be the Republic's primary export and import market during the period 2008 to 2011. The value of goods exported to the United States grew by 35.2% in 2011 and accounted for 47.8% (U.S.\$7,140.1 million) of total exports. Most of the exports to the United States in 2011 comprised natural gas, crude oil and gas-based petrochemicals. However, the share of natural gas exports to the United States has been falling due to their discovery of shale gas and has declined from 70% in 2006 to 20% in 2011. Trinidad and Tobago has sold its natural gas to other markets in Latin America, Europe and Asia at prices that have been notably higher from those in the United States. Imports from the United States also rose by 40.6% to U.S.\$2,530.8 million in 2011 compared to 2010, primarily due to higher imports of machinery and transport equipment. In 2011, imports from the United States accounted for 26.6% of total imports.

The second leading market for the Republic's exports is the CARICOM. Exports to the CARICOM in 2011 were 14.1% of total exports, which was slightly lower than the average of 16.6% for the years 2007 to 2010. In contrast, the value of imports from the CARICOM has increased from 1.3% (U.S.\$123.4 million) of total imports in 2008 to 2.5% (U.S.\$241.5 million) of total imports in 2011. The European Union was the third largest export market during the period 2008 to 2011. Exports to the European Union grew from 13.2% of total exports in 2008 to 14.2% in 2011. In 2011, the Latin American market was the second largest import market and accounted for 21.1% of total imports (U.S.\$2,004.6 million).

### **Foreign Exchange Reserves**

At December 31, 2012, gross international reserves amounted to U.S.\$12,251.4 million, slightly lower than the U.S.\$12,313.6 million recorded at December 31, 2011. This decline was mainly due to a decrease in the Central Bank's official reserves. With the Central Bank increasing its sales of foreign exchange to address imbalances in the foreign exchange market, the level of official reserves, although still quite substantial, fell to U.S.\$9.2 billion at December 31, 2012 from U.S.\$9.8 billion at December 31, 2011. The decline in gross international reserves was partly offset by a 22% (year-on-year) increase in the gross foreign position of commercial banks to U.S.\$3.1 billion at December 31, 2012.

The following table sets forth the Republic's gross international reserves for the periods indicated.

	At December 31,					At
	2008	2009	2010	2011	2012	September 30, 2013
	<i>(in millions of U.S. dollars)</i>					
Central Bank – Official Reserves <sup>(1)</sup> .....	9,380.2	8,651.5	9,069.8	9,822.4	9,200.3	9,427.5
Central Government holdings.....	0.1	0.1	0.2	0.3	0.4	0.0
SDR holdings .....	1.1	421.4	424.3	423.2	423.6	423.3
Gross official reserves .....	9,380.3	8,651.6	9,070.0	9,822.7	9,200.7	9,427.5
Commercial banks' gross foreign position .....	2,203.5	2,739.3	2,188.6	2,490.9	3,050.8	3,046.9
Liabilities .....	953.3	787.3	730.6	723.0	610.8	692.3
Net foreign liabilities of commercial banks.....	1,250.2	1,952.0	1,458.1	1,767.8	2,436.6	2,354.6
Gross international reserves .....	11,583.8	11,390.9	11,258.7	12,313.6	12,251.4	12,474.4

Source: Central Bank.

(1) The Republic has no significant gold reserves.

### The Heritage and Stabilisation Fund

The first sovereign wealth fund in the Caribbean region, the HSF, is one of the strategic pillars of the overall economy of the Republic and demonstrates the Republic's commitment to saving for future generations. The HSF serves two primary objectives: (1) to insulate fiscal policy and the economy from swings in international oil and gas prices; and (2) to accumulate savings from the Republic's exhaustible assets of oil and gas for future generations. Although significant emphasis has been placed on the savings aspect of the HSF in practice, during the design phase it was recognized that countries that rely on oil and other non-renewable resources for a significant share of their revenue generally have uncertain and volatile revenue streams.

The HSF was formally established in March 2007 through the HSF Act of 2007 (the "HSF Act"), which sought to incorporate many of the strengths of similar commodity funds. The HSF Act outlined details for the establishment and management of the HSF, including guidelines for its operation, available resources and governance arrangements. The HSF Act required that 60% of the excess tax revenue from oil and gas (calculated as the difference between actual revenue and the budgeted revenue estimate) be transferred into the HSF annually. The oil and gas prices used for the budget estimate would take into account the recent price history as well as projected (future) prices obtained from international sources. Conversely, withdrawals from the HSF are permitted only if actual annual tax revenues from oil and gas are at least 10% below the budget projection for the year as a whole. The amount of the withdrawal could be 60% of the shortfall, up to a maximum of 25% of the funds available in the HSF.

Over the past five years, the major financial markets exhibited high levels of volatility as the global economic and financial crisis created an environment of heightened uncertainty. In spite of this, the HSF has performed relatively well. The HSF's five year cumulative return through September 30, 2012 was 26.1%, while on an annualized basis, the HSF generated a return of 4.75%. The net asset value of the HSF has increased steadily due to the positive returns and contributions made by the Central Government. To date, the Central Government has made 14 deposits to the HSF, and has made no withdrawals. At September 30, 2012, total deposits were U.S.\$2,512.2 million, while the net asset value of the HSF was U.S.\$4,712.4 million, an increase from U.S.\$1,402.2 million at inception. During fiscal year 2013, a further U.S.\$42.5 million was transferred to the HSF, increasing the HSF's net asset value at September 30, 2013 to approximately U.S.\$5.0 billion.

## MONETARY SYSTEM

The Republic's monetary policy is formulated and implemented primarily by the Central Bank, which was established under the Central Bank Act of 1964. The purpose of the Central Bank, as stated in the Central Bank Act, is the promotion of monetary, credit and exchange conditions that are favorable to the development of the Republic's economy. In addition, the Central Bank seeks to preserve monetary stability and to maintain, influence and regulate (where applicable) the volume and supply of currency and credit in the Republic. To further enhance the role and function of the Central Bank as a supervisory authority, in 2008, Parliament adopted the FIA, which replaced the Financial Institutions Act of 1993. The FIA greatly enhanced the Central Bank's ability to regulate the financial sector, which had evolved beyond and outgrown the pre-existing Financial Institutions Act of 1993. In 2008, the Treasury Bonds Act of 2008 (the "Treasury Bonds Act") was adopted, which allows the Central Bank to auction Central Government bonds for liquidity management purposes.

From 2008 to 2012, the Central Bank and other regulatory bodies undertook several initiatives to improve the legislative and regulatory framework governing the Republic's financial system. In addition to the enactment of the FIA, these measures included the adoption of the Financial Intelligence Unit Act of 2009 and the Securities Act of 2012. Currently, the Central Bank is developing a new insurance bill, a new credit union bill, as well as other initiatives to ensure the continued stability of the financial system.

The following table sets forth percentage changes in the money supply at or for the dates and periods indicated.

	At December 31,					At September 30,
	2008	2009	2010	2011	2012	2013
	<i>(in millions of TT dollars unless otherwise stated)</i>					
Exchange Rate (TT\$/U.S.\$) <sup>(1)</sup>						
Average .....	6.2563	6.2997	6.3480	6.3995	6.4033	6.4122 <sup>(6)</sup>
Year-End .....	6.2729	6.3574	6.3765	6.4093	6.3814	6.4195
M0 (percentage change at year end) .....	51.5	31.1	10.9	26.2	6.9	19.2 <sup>(7)</sup>
M1 (percentage change at year end) <sup>(2)</sup> .....	10.2	39.0	9.2	23.3	14.4	11.4 <sup>(7)</sup>
M2 (percentage change at year end) <sup>(3)</sup> .....	13.0	27.0	5.0	13.9	10.6	7.9 <sup>(7)</sup>
Quasi Money (percentage change) <sup>(4)</sup> .....	15.0	19.1	1.8	6.1	7.1	4.5 <sup>(7)</sup>
Commercial Banks Credit Aggregates (at year end)						
Private Sector Credit .....	43,103.8	41,244.6	39,933.1	41,975.5	44,208.8	45,318.5
Public Sector Credit <sup>(5)</sup> .....	4,501.4	7,327.7	7,723.2	6,877.1	7,075.3	8,131.8
Central Government Credit .....	3,350.4	7,943.9	9,696.9	9,480.3	14,808.9	14,498.1
Total Domestic Credit .....	50,955.5	56,516.3	57,353.3	58,332.9	66,092.9	67,948.4
Commercial Banks Deposits (at year end)						
TT\$ Deposits .....	38,736.8	49,694.4	51,975.3	59,319.3	65,425.7	70,728.5
Foreign Currency Deposits .....	16,112.7	22,930.1	18,926.3	19,510.1	23,458.0	22,235.2
Commercial Banks Total Deposits .....	54,849.5	72,624.6	70,901.6	78,829.4	88,883.7	92,963.7

Source: Central Bank.

- (1) Exchange rates are the midpoint of the buying and selling rates.
- (2) Currency in active circulation plus demand deposits.
- (3) Does not include foreign currency deposits.
- (4) Savings and time deposits.
- (5) Excludes credit of the Central Government.
- (6) Represents the average for the period January 1, 2013 to September 30, 2013.
- (7) Represents the change from December 31, 2012.

### Monetary Policy

Weak economic activity in the aftermath of the global financial crisis in 2008 prompted the Central Bank to adopt an accommodative monetary policy stance. From 2009 to 2011, the domestic economy contracted on average by 2.3%, annually. Provisional estimates indicate some recovery in domestic economic activity in 2012, with growth of 1.2%. However, the recovery remains fragile, warranting continued support from the Central Bank. The Central Bank lowered its main policy rate, the repo rate, on a phased basis to a record low of 2.75% by September 2012 from a high of 8.75% in 2008.

Meanwhile, inflation was volatile over the period 2008 to 2012. After initially recording average inflation of 12.0% in 2008, the inflation rate slowed to 7.0% in 2009, increased to 10.6% in 2010 and then fell sharply to 5.1% in 2011. The inflation rate rose to 9.2% in 2012, which, although higher than the previous year, remained below the inflation rate for 2008. For fiscal year 2013, the inflation rate was 3.0%, a decrease of 4.7% from the inflation rate of 7.4% for fiscal year 2012. Core inflation, which excludes food prices, has been much more stable and was relatively contained from 2008 to 2013. With core inflation contained, the Central Bank had the necessary space to pursue its accommodative monetary policy stance.

One of the main challenges for the Central Bank's monetary management has been persistence of high excess liquidity in the banking system, which can be described as structural in nature. The Central Bank's liquidity management framework has been restrained by the limit on the issue of treasury bills and notes, which are used for open market operations ("OMOs"). The limit on the issue of treasury bills, which was increased to TT\$15.0 billion (of which TT\$14.2 billion is dedicated to OMOs) in 2006, was reached in 2008, while the limit on treasury notes, which was similarly increased to TT\$5 billion in 2006, was reached in 2008, as well. Therefore, with respect to OMOs, the Central Bank has been limited to re-issuing bills and notes which have matured. However, notwithstanding this challenge, the Central Bank has implemented other measures aimed at withdrawing excess liquidity.

Under the Treasury Bonds Act, the Central Bank has facilitated the issuance of several treasury bonds geared towards liquidity absorption. In 2008, the Central Bank auctioned a TT\$1.2 billion treasury bond for liquidity absorption purposes, bringing the total value of bonds issued for liquidity management to TT\$2.9 billion at the end of 2008. To further aid liquidity management, the Central Bank requested that commercial banks to place fixed deposits at the Central Bank; these deposits are remunerated. The first deposit was placed in December 2005, and the Central Bank has continued to use this measure to sterilize commercial banks' excess reserves. At the end of December 2012, there was approximately TT\$5,990.0 million in requested fixed deposits. Meanwhile, net sales of foreign exchange to authorized dealers, though not a liquidity absorption measure, also indirectly withdrew liquidity from the banking system.

The accommodative monetary policy stance and the prevalence of high liquidity have driven interest rates in the domestic financial system to record lows. With the Central Bank reducing its repo rate from a high of 8.75% in 2008 to 2.75% in September 2012 via a series of rate cuts, commercial banks also lowered their prime lending rates from 13.0% to 7.75% over the same period. Short-term Treasury Bill rates have also fallen sharply. The Republic's 91-day Treasury Bill rate fell from around 7.0% in 2008 to a low of 0.04% in March 2012 before increasing to 0.39% by the end of 2012.

Thus far in 2013, the Central Bank of Trinidad and Tobago's monetary policy has remained supportive of the domestic economic recovery, as inflationary pressures were generally contained over the first nine months of 2013. The Central Bank kept the repo rate unchanged at 2.75% as at October 2013. However, with liquidity levels in the banking system high, the Central Bank took actions to help curb the rapid accumulation of commercial banks' excess reserves. Over the first ten months of 2013, commercial banks' excess reserves averaged just under TT\$6.0 billion monthly, compared with TT\$3.6 billion in the corresponding prior year period. Net domestic fiscal injections, which are the leading source of banking system liquidity, amounted to TT\$8.8 billion during the ten months ended October 30, 2013. The Central Bank facilitated the issue of two Central Government of Trinidad and Tobago liquidity absorption bonds. The first issuance, in May 2013, was a 7-year, 2.60% fixed rate coupon bond with a face value of TT\$1.0 billion, and the second, in August 2013, was a 10-year, 2.50% fixed rate coupon bond with a face value of TT\$559.3 million. The Central Bank also rolled over, for one year, the commercial banks' fixed deposits held at the Central Bank which have matured to date in 2013. In addition, the Central Bank indirectly removed roughly TT\$7.1 billion from the system via sales of foreign exchange to authorized dealers.

With the Central Bank's repo rate unchanged at 2.75% thus far in 2013, commercial banks' prime lending rate also remained unchanged at 7.75% over the first ten months of the year. However, in order to attract credit, banks have reduced their general lending rates. Commercial banks' weighted average lending rate fell by 26 basis points to 8.49% in September 2013 from 8.75% in December 2012. High liquidity has kept short term interest rates near historic lows. The Republic's 91-day Treasury Bill rate at the end of October 2013 was 0.07%, down from 0.35% in January 2013.

The Republic abolished exchange controls in 1993 and has since then operated a floating exchange rate regime. Foreign exchange transactions are handled through authorized and licensed dealers who actively trade in the foreign exchange market.

## **Financial Sector**

In recent years, the Central Bank has been making a concerted effort to upgrade the financial sector's legislative and regulatory framework. In late 2008, the FIA was enacted to replace the Financial Institutions Act of 1993. The FIA provides for consolidated supervision and information sharing between the Central Bank and other authorities (both domestic and foreign) involved in financial sector supervision, the establishment of financial holding companies, the mandatory application by all licenses, both on an individual and consolidated basis, of capital adequacy requirements as well as limits on large exposures and connected party lending, the establishment of audit committees and the prompt action to deal with non-compliance. In addition, the FIA has expanded the Central Bank's enforcement powers to include the issuance of compliance directions and the imposition of administrative fines. The Central Bank is currently developing proposals for the replacement of the Financial Institutions (Prudential Criteria) Regulations, 1994 (the "New Regulations"). The New Regulations will effectively amend the local capital adequacy framework governing licensed financial institutions. The proposals are heavily influenced by the recommendations under Basel II and III. The Central Bank intends to issue a policy proposal document for revision of the prudential framework in December 2013.

The Financial Institutions Order 2011 was made by the Minister of Finance on August 12, 2011. This order allows the Central Bank to levy administrative fines to financial institutions licensed under the FIA for breaches of certain provisions of the FIA. The order prescribes the form of the notice to be used by the Central Bank when levying a fine and allows for the payment of the fine to be made to the Comptroller of Accounts.

Work has continued on the Credit Union Bill, which is aimed at replacing the Cooperative Societies' Act that dates back to 1971. The Credit Union Bill and Draft Regulations and a proposal for a protection fund for credit unions were presented for Ministerial review. Consequential and some "fast-tracked amendments" to the Co-operative Societies Act are expected to be presented at the same time.

The Insurance Bill 2013 was laid in Parliament by the Minister of Finance and the Economy in November 2013 and is now before a Joint Select Committee. The Insurance Bill emphasizes the use of a risk-based capital adequacy framework and the standardized actuarial valuation methodology for the insurance company, as well as greater discipline in the development of a suitable loss-reserving methodology for the non-life industry. It encapsulates a modern approach to insurance regulation and supervision, encourages the strengthening of corporate governance and has established more effective protection of policyholders.

In December 2012, the Central Bank, after considerable industry consultations, issued the final policy proposal document for the new Occupational Pension Plans Bill. This document has been forwarded to the Minister of Finance for approval by the Cabinet. Once it is approved, the drafting of the Occupational Pension Plans Bill will commence. This new legislation will clearly define the role of management committees and plan sponsors, as well as procedures for the orderly exit of pension plans from the market, and will contain provisions for communication between plan sponsors and members. It will also vest the Central Bank with increased powers to secure timely information, actuarial reports and membership data for various plans.

The Central Bank is also in the process of finalizing a national financial crisis management plan. The purpose of this plan is to be used in the management and resolution of financial crises involving institutions regulated by the Central Bank.

Policy proposals for the regulation of the Home Mortgage Bank Limited are also being finalized. The Central Bank has also issued new or updated guidelines on corporate governance, impaired assets, and consolidated prudential reporting.

The Central Bank (Payment of Supervisory Fees and Charges) Regulations, 2011, were made by the Minister of Finance on August 12, 2011 pursuant to Section 60(6) of the Central Bank Act. These regulations allow the Central Bank to recover fees and charges pertaining to its regulation and supervision of licensed and registered financial institutions. One component of the cost recovery framework was the issue in July 2012, of service

standards by the Central Bank. These standards include time frames for the completion of key supervisory processes and are being monitored by the Financial Institutions Supervision Department of the Central Bank.

The framework for Anti-Money Laundering and Counter Terrorism Financing (“AML/CFT”) has been strengthened by the establishment of a separate Financial Intelligence Unit (“FIU”) under the FIU Act of 2009, and the renewal of the Financial Obligations Regulations (“FOR”) in 2010. The new framework was designed to be compliant with the Financial Action Task Force (“FATF”) recommendations. The FOR identifies the Central Bank as the supervisory authority for financial institutions, insurance companies and bureau de change. The Central Bank discharges its AML/CFT mandate by its participation on the National Anti-Money Laundering Committee, its attendance at the Caribbean Financial Action Task Force Plenary meetings and through the conduct of onsite examinations and meetings with other supervisory authorities and industry stakeholders. Furthermore, the Central Bank issued a revised AML/CTF guideline to its regulated sectors on October 31, 2011. The guideline provides guidance to its regulated institutions on the implementation of requirements in certain AML/CTF legislation, such as the Financial Obligations Regulations 2010. A FATF statement in October 2012 noted that Trinidad and Tobago had made significant progress in improving its AML/CFT regime and that the Republic had addressed the strategic deficiencies that FATF had previously identified in February 2010. Therefore, Trinidad and Tobago was no longer subject to FATF’s monitoring process under its on-going global AML/CFT compliance process. The Central Bank is currently focused on developing a licensing and supervisory regime for money remitters and strengthening the supervision of bureau de change.

There has also been the passage of the Securities Act 2012 which included improvements in supervision of the securities market by the regulator, the Trinidad and Tobago Securities and Exchange Commission (“TTSEC”). Many of the financial reforms over the last ten years have been initiated by recommendations emanating from the June 2004 document entitled “*Reform of the Financial System of Trinidad and Tobago: A White Paper.*” However, due to the global financial crisis and the national debacle surrounding CLF, it is evident that there is a need for a new white paper on the financial system with the purpose of providing a new roadmap for the next generation of financial reforms. Therefore, the Central Bank has been spearheading efforts to develop a green paper on the financial system as a precursor to the creation of a new white paper.

The United States enacted legislation commonly referred to as the Foreign Account Tax Compliance Act (“FATCA”) in 2010. The Republic is working to get an Intergovernmental Agreement signed. During 2014, pertinent national legislation will have to be amended or enacted to ensure compliance with FATCA requirements.

Another important initiative by the Central Bank is the plan to regulate systemically important financial institutions (“SIFIs”) that operate in the local financial industry. The Central Bank is of the view that the regulation and supervision of SIFIs is imperative given that systemic risk is a potential threat to the smooth functioning of markets and the economy. The Central Bank has deemed five financial institutions as SIFIs, and received approval from the Cabinet to bring these institutions under its regulatory purview.

It is also intended for work to commence on the feasibility of creating a single financial regulatory authority to facilitate a coordinated and comprehensive oversight of the entire financial services industry. It is envisaged that the Central Bank will work with the Ministry of Finance and the Economy and the TTSEC to undertake research and consultation in determining whether a single financial regulatory authority is the optimal model for integrated financial regulation and supervision in Trinidad and Tobago.

Currently, the Republic’s financial system consists of eight commercial banks, 17 non-bank financial institutions and two financial holding companies. Non-banking financial institutions are comprised of finance houses, merchant banks and trust and mortgage companies. The finance houses are involved principally in trade confirmation and leasing and the financing of consumer durables, while the merchant banks focus primarily on loan syndication, bond underwriting and corporate credit. The trust and mortgage institutions provide trustee services and engage in mortgage lending funded by long-term funds mobilized largely from institutional depositors. Commercial banks dominate the financial sector, accounting for more than half the total assets of the licensed deposit taking institutions and over a quarter of the assets of the financial system. Of the eight commercial banks, six are foreign-owned and two are locally owned. One of the eight commercial banks, the First Citizens Bank Limited (“First Citizens”) is owned by the Republic. Furthermore, consistent with the government’s capital market development initiative, the Republic offered 19.3% of First Citizens’ total ordinary shares in an initial public

offering in July 2013. Following a successful initial public offering, First Citizens was listed on the Trinidad and Tobago Stock Exchange in September 2013.

Notwithstanding the low interest rate environment, subdued economic activity and sluggish credit growth, the banking system remained resilient in 2012. For 2013 thus far, the banking system has continued to be highly liquid and adequately capitalized to withstand shocks. At the end of March 2013, regulatory capital to risk weighted capital stood at 24.4% for banks and 40.7% for non-banking financial institutions, much higher than the minimum requirement of 8%. Furthermore, credit quality has improved since commercial banks took aggressive steps in 2012 with respect to non-performing loans by restructuring and writing off loans specifically in the tourism and construction industries.

Non-performing loans comprised 4.6% of the loan portfolio at September 30, 2013, while provisions totaled 38.6% of the non-performing portfolio.

Bank profitability has declined over the last several years, primarily as a result of lower interest income and fees resulting from low credit demand as well as stringent credit guidelines, increased provisioning and write-offs of legacy bad debts. Nevertheless, healthy profits and spreads of over 7% have been maintained.

### **Domestic Capital Markets**

Despite the high levels of liquidity in the financial system and the low interest rate environment, primary bond market activity has fallen off in recent years. The private sector has been noticeably hesitant to raise capital on the primary bond market, and much of the borrowing has been by the public sector. However, there has been no evidence of public sector borrowing “crowding out” private sector investment. The lack of private sector issues suggests that business firms are cautious about undertaking new investments in the economic climate. During the ten months ended October 31, 2013, there were seven primary issues, collectively raising approximately TT\$4.9 billion compared with ten bond issues in the prior year period raising TT\$3.9 billion. Continuing the trend observed over the past few years, the public sector was the main borrower on the market, accounting for six of seven primary issues during the first ten months of 2013.

In July 2004, the Ministry of Finance and the Economy, in accordance with a mandate from the Central Government, reached a decision to issue government bonds in a single price auction system administered by the Central Bank. In 2013, there were two such public auctions. The Central Government issued bonds twice through the Central Bank: an aggregate principal amount of TT\$1.0 billion 2.60% bonds due 2020 issued in May 2013 and an aggregate principal amount of TT\$559.0 million 2.50% bonds due 2023 issued in August 2013. The bonds issued in May 2013 attracted bids of TT\$2.8 billion. However, the bond issuance in August 2013 was undersubscribed at TT\$559 million due to the issuance of competing financial products in the low interest rate environment.

There was a general downward shift in the term structure of Central Government debt in 2013. The benchmark 15-year yield dropped approximately 82 basis points to 3.18% in October 2013 from 4.00% at the end of 2012. Meanwhile, on the shorter end of the yield curve, the 91 day Treasury Bill rate decreased to 0.07% in October 2013 from 0.39% at the end of 2012, while the 1 year yield decreased to 0.60% from 0.99% in October 2013.

As part of the capital markets development initiative, in December 2008 the Trinidad and Tobago Stock Exchange (“TTSE”), in collaboration with the Central Bank, launched a secondary market trading platform for Central Government bonds. During the ten months ended October 30, 2013, there were 26 bonds listed on the TTSE’s secondary Central Government bond market. During the same period, Central Government bonds with a combined face value of TT\$1,544.6 million were traded, compared with TT\$806.6 million in the prior year period. The number of transactions on the secondary Central Government bond market also increased, with 173 trades occurring during the ten months ended October 30, 2013, compared with 74 trades in the prior year period.

### **The Stock Market**

The TTSE has shown improvement in 2013, compared against the prior year period. The Composite Stock Price Index (“CPI”, 1983 = 100) increased by 10.7% during the ten months ended October 30, 2013, compared with

5.1% in the prior year. During 2013, there was a significant positive divergence in the performance of companies domiciled in Trinidad and Tobago compared with those domiciled in other countries in the region. Accordingly, the All Trinidad and Tobago Index (“ATI”, 1999 = 100), which measures price movements for companies listed only on the TTSE, increased by 15.8% during the ten months ended October 30, 2013, while the Cross Listed Index, which comprises mainly regional companies, declined by 7.8% during the same period.

Market capitalization grew by 16.4% to TT\$113.4 billion at October 30, 2013, compared to market capitalization of TT\$97.4 billion at December 31, 2012. Trading activity in the domestic stock market in 2013 was relatively higher than in 2012. During the ten months ended October 30, 2013, a total of 85.3 million shares were traded with a combined market value of TT\$942.0 million, compared with 42.8 million shares traded during the ten months ended October 30, 2012.

## PUBLIC SECTOR FINANCES

*The Republic's budgets are based on a series of projections and estimates regarding the Republic's economy, inflation, revenues and expenditures. These budgets contain estimates of historical results and forward-looking information that involve certain risks and uncertainties. Potential risks and uncertainties include the evolution of the Republic's economy, the level of inflation, the level of unemployment, oil and gas prices, the level of tourism receipts, the level of tax collections, the ability of the Republic to control expenditures in line with its budgets and to obtain financing for any projected deficits, and the occurrence of certain other events which may have a material adverse effect on the Republic. As a result of any of such risks and uncertainties, actual revenues, expenditures and other factors could differ materially from the projected revenues, expenditures and other factors contained in the Republic's budgets. No assurances can be given that these projections will actually be achieved.*

The following table sets forth the Central Government's fiscal operations for the fiscal years indicated. The Central Government includes all Ministries, Departments and Agencies whose activities form part of the budgetary operation of the central administrations. The figures below include the accounts of the consolidated fund, the unemployment fund, the road improvement fund and the infrastructure development fund, but exclude the operations of state-owned enterprises and public utilities.

	Year Ended September 30,					
	2008	2009	2010	2011	2012	2013E
	<i>(in millions of TT dollars unless otherwise indicated)</i>					
Current revenue .....	56,810.2	38,993.4	43,632.0	47,213.6	49,234.5	52,163.6
Current expenditure .....	44,264.4	37,350.4	40,373.4	44,698.8	45,819.2	48,834.2
Current account surplus .....	12,545.8	1,643.0	3,258.6	2,514.8	3,415.3	3,329.4
Capital receipts .....	37.6	51.4	230.9	287.0	43.4	493.0
Capital expenditures and net lending <sup>(1)</sup> .....	9,608.9	8,380.4	6,328.0	6,793.6	6,987.7	8,269.3
Overall surplus (deficit) .....	2,974.5	(6,686.0)	(2,838.5)	(3,991.8)	(3,529.0)	(4,446.9)
Total financing, net .....	(2,974.5)	6,686.0	2,838.5	3,991.8	3,529.0	4,446.9
External financing, net .....	796.7	323.3	(754.1)	132.8	1,054.1	(563.1)
Domestic financing, net .....	(3,771.2)	6,362.7	3,592.6	3,859.0	2,474.9	5,010.0
Surplus (deficit) as a percentage of GDP (constant prices)						
Current account surplus .....	13.5%	1.8%	3.7%	2.9%	3.9%	3.7%
Overall surplus (deficit)(expressed as a percentage of Real GDP) <sup>(2)</sup> .....	3.2%	(7.5)%	(3.2)%	(4.6)%	(4.0)%	(5.0)%
Surplus (deficit) (expressed as a percentage of Nominal GDP) .....	1.7%	(5.4)%	(2.1)%	(2.6)%	(2.3)%	(2.7)%

Sources: Ministry of Finance and the Economy; Central Statistical Office

E Estimated

(1) Includes an adjustment for the repayment of past lending.

(2) Calculated to one decimal point.

The Central Government's revenues increased by 4.3% in 2012, after increasing by 8.2% in 2011. Revenues from the petroleum sector decreased marginally by 1.7% in 2012, while revenues from the non-petroleum sector increased by 8.7%. Current expenditures in 2012 increased by 2.5% over 2011 levels, and capital expenditures and net lending increased by 2.9% over the same period. The Central Government recorded a deficit of 4.0% of GDP in 2012, an improvement from the previous year's deficit of 4.6% of GDP. In 2013, both revenues and expenditures were estimated to increase further by 5.9% and 6.6%, respectively, as compared to 2012.

In financing its fiscal operations, the Central Government is subject to various legal limitations on the issuance of debt instruments. These limitations include ceilings on the Central Government's overdraft account at the Central Bank, the issuance of bonds in both the domestic and foreign markets and the issuance of treasury bills and notes. As a consequence, the borrowing limits under the Development Loans Act, Chapter 71:04, and the External Loans Act, Chapter 71:05, both of which provide for Central Government borrowings, were increased in 2011 to TT\$30.0 billion and TT\$15.0 billion, respectively. The statutory limit under the Guarantee of Loans (Companies) Act, Chapter 71:82, which covers all state enterprises' government guaranteed borrowings, was also increased in 2011 to TT\$25.0 billion. Moreover, the Central Government is currently in the process of introducing

legislation to raise the domestic debt ceilings under the Treasury Notes Act No. 14 of 1995, Chapter 71:39, and the Treasury Bills Act, Chapter 71:40. The increase in the ceilings for the Treasury Bills and Treasury Notes must be approved and passed in both Houses of Parliament in order to take effect. The increase has been approved in the House of Representatives and was debated in the Senate on December 3, 2013. These two latter acts provide for the main short-term instruments with which the Central Bank carries out its open market operations.

## Budget Process

The Central Government has embarked on its Medium-Term Policy Framework for 2011 to 2014, which outlines the government's perspective and intent on achieving socio-economic transformation and prosperity to the citizens of the Republic.

Built upon seven strategic interconnected pillars for sustainable development, which drive government policy, the MTPF articulates government's approach to development on the basis of shared priorities and cross-cutting interventions. The framework encourages greater collaboration and the establishment of functional relationships among ministries and agencies in an attempt to achieve greater coherence and effectiveness in implementing government's developmental objectives.

The MTPF also identifies areas for concentrated development over a three-year period from 2011 to 2014. The government will strive for 90% fulfillment of obligations under each area of the Millennium Developmental Goals in the medium-term planning period as it moves towards full achievement of the targets by 2015. To ensure that the process is sustainable, the Central Government has taken steps to put effective institutional arrangements in place to manage and evaluate the implementation process.

The annual budget proposals of the ministries and departments must be consistent with the objectives of the MTPF. The annual budget proposals must be submitted to the Cabinet prior to their submission to Parliament. The Ministry of Finance and the Economy prepares a monthly cash flow statement of the budget and monitors its implementation by the ministries and departments through the cash disbursement process and their timely submission of monthly reports on revenues and expenditures.

## Budget Summary

The Republic's fiscal year 2014 budget, covering the period October 1, 2013 to September 30, 2014, has been formulated based on oil and gas price assumptions of U.S.\$80.00 per barrel and U.S.\$2.75 per million British thermal units ("mmBtu"), respectively.

For fiscal year 2014, Central Government revenue is estimated at TT\$55,040.8 million, with the major contributor being taxes on income and profits, estimated at TT\$35,940.7 million.

Expenditures are estimated at TT\$61,397.9 million, with 41.2% of expenditures allocated to Current Transfers, which includes transfers to households. Transfers to households include Old Age Assistance Grants and payments to tertiary level students under the Government Assistance for Tertiary Education Program. In addition, projected transfers to state enterprises are estimated at TT\$2,465.6 million, while capital expenditures are estimated at TT\$8,000 million.

The deficit for fiscal year 2014 is estimated at 3.6% of GDP, or TT\$6,357.1 million, of which 55.1% is estimated to be funded through domestic financing and 44.9% through external financing. GDP for calendar year 2014 is estimated at TT\$176,586.8 million

Summary of 2014 Budget Estimates	(in millions of TT dollars)
<b>Revenue</b> .....	<b>55,040.80</b>
<b>Current</b> .....	<b>54,009.50</b>
<i>of which</i>	
Taxes on Income and Profits.....	35,940.7
Taxes on Goods and Services .....	8,058.0
Taxes on International Trade .....	2,547.2
Non-Tax Revenue .....	5,754.0

Summary of 2014 Budget Estimates		(in millions of TT dollars)
<b>Capital</b> .....		<b>1,031.3</b>
<b>Expenditure</b> .....		<b>61,397.9</b>
<b>Current</b> .....		<b>53,397.9</b>
<i>of which</i>		
Personnel Expenditure .....		8,942.3
Interest Payments .....		2,968.3
Current Transfers .....		25,351.3
<b>Surplus (Deficit)</b> .....		<b>(6,357.1)</b>
Domestic .....		3,500.4
External .....		2,856.7

### Current Revenues

The following table sets forth the Central Government's current revenues for the fiscal years indicated.

	Year Ended September 30,					
	2008	2009	2010	2011	2012	2013E
	<i>(in millions of TT dollars)</i>					
<b>Petroleum Sector</b>						
Oil Companies (SPT/PPT/PSC's) <sup>(1)</sup> .....	25,657.3	11,880.9	13,834.4	16,022.5	15,826.8	14,771.5
Withholding Tax .....	133.0	176.8	132.1	179.6	162.5	132.7
Royalties on Oil .....	1,822.3	1,741.7	1,898.9	2,415.2	2,448.5	2,379.6
Share of Profits <sup>(2)</sup> .....	262.3	1,000.0	900.0	-	-	800.0
Oil Impost .....	61.8	80.5	90.5	117.9	95.6	74.1
Signature Bonuses-Competitive Bidding .....	3.2	91.6	-	171.3	19.2	1.8
Unemployment Levy (Oil) .....	1,970.0	801.2	989.0	1,240.2	1,259.2	1,111.8
<b>Petroleum Sector</b> .....	<b>29,909.9</b>	<b>15,772.7</b>	<b>17,844.9</b>	<b>20,146.7</b>	<b>19,811.8</b>	<b>19,271.5</b>
<b>Non-Petroleum Sector</b>						
Non-Petroleum Revenues ( <i>current</i> ) .....	26,923.7	23,342.4	25,816.8	27,102.2	29,454.7	32,914.1
Capital Revenues and Grants .....	37.6	51.4	230.9	287.0	43.4	493.0
<b>Gross Revenues and Grants</b> .....	<b>56,871.3</b>	<b>39,166.5</b>	<b>43,892.6</b>	<b>47,535.9</b>	<b>49,309.9</b>	<b>52,678.6</b>
Repayment of Past Lending <sup>(3)</sup> .....	23.5	121.7	29.7	35.3	32.0	22.0
<b>Total Current Revenue Net Repayment of Past Lending</b> .....	<b>56,810.2</b>	<b>38,993.4</b>	<b>43,632.0</b>	<b>47,213.6</b>	<b>49,234.5</b>	<b>52,163.6</b>

Source: Ministry of Finance and the Economy.

E Estimated

(1) SPT-supplemental petroleum tax/PPT-petroleum profits tax/PSC-production sharing contracts.

(2) Share of profits represents deposits made from residual balances available after the Central Government has remitted taxes on behalf of the oil companies.

(3) Repayment of past lending represents money loaned to regional countries that is currently being repaid by these countries.

For fiscal year 2012, the Central Government's revenue increased to TT\$49,234.5 million, representing an increase of TT\$2,020.9 million over the previous fiscal year. However, revenues from the petroleum sector decreased marginally by TT\$334.9 million to TT\$19,811.8 million in 2012, largely due to output shortfalls from maintenance-related outages, while revenues from the non-petroleum sector increased by TT\$2,352.5 million to TT\$29,454.7 million, driven mainly by increased tax collections from non-energy companies, increased Value-Added Tax ("VAT") receipts, higher profits from state enterprises and improved collections by the Water and Sewerage Authority ("WASA"), due to an increase in the water improvement rate.

In fiscal year 2013, revenues increased by an estimated TT\$2,929.1 million over the previous fiscal year, again primarily driven by the non-petroleum sector, which increased by TT\$3,459.4 million as compared to fiscal year 2012.

### Current and Capital Expenditures

The following table sets forth the Central Government's expenditures for the fiscal years indicated.

	Year Ended September 30,					
	2008	2009	2010	2011	2012 <sup>(1)</sup>	2013E
	<i>(in millions of TT dollars)</i>					
<b>Current Expenditures</b>						
Wages and salaries.....	6,946.9	6,620.3	6,711.0	7,179.7	7,282.3	9,382.5
Goods and services .....	5,002.4	6,023.0	6,441.2	6,504.3	7,061.6	7,012.4
Interest .....	2,967.3	3,499.9	3,290.3	2,866.4	2,937.1	2,604.0
Transfers and subsidies.....	29,272.2	21,173.7	23,859.7	27,989.4	28,538.2	29,835.3
Acquisition of physical capital assets .....	75.6	33.5	71.2	159.0	-	-
<b>Current Expenditures</b> .....	<b>44,264.4</b>	<b>37,350.4</b>	<b>40,373.4</b>	<b>44,698.8</b>	<b>45,819.2</b>	<b>48,834.2</b>
<b>Capital Expenditures and Net Lending</b> <sup>(2)</sup> .....	<b>9,608.9</b>	<b>8,380.4</b>	<b>6,328.0</b>	<b>6,793.6</b>	<b>6,987.7</b>	<b>8,269.3</b>
<b>Total Expenditures</b> .....	<b>53,873.3</b>	<b>45,730.8</b>	<b>46,701.4</b>	<b>51,492.4</b>	<b>52,806.9</b>	<b>57,103.5</b>

Source: Ministry of Finance and the Economy.

(1) Includes a payment of TT\$300.0 million to CLICO policyholders.

(2) Includes adjustment for repayment of past lending.

During fiscal year 2012, total expenditures increased by 2.6% to TT\$52,806.9 million, an increase of TT\$1,314.5 million from the previous fiscal year. Of this amount, current expenditures accounted for 86.8%, or TT\$45,819.2 million, while capital expenditures and net lending accounted for TT\$6,987.7 million. Current expenditures increased by TT\$1,120.4 million, an increase of 2.5% from fiscal year 2011. The Central Government anticipates increases for all the major categories of expenditures for fiscal year 2013.

### Domestic Financing

The following table sets forth the Central Government's total domestic debt (excluding contingent liabilities) outstanding as of the dates indicated:

	As of September 30,					
	2008	2009	2010	2011	2012	2013E
	<i>(in millions of TT dollars unless otherwise indicated)</i>					
Debt management bills/notes <sup>(1)</sup> .....	5,800.0	5,800.0	5,800.0	5,800.0	5,800.0	5,800.0
CLICO STIPs rights purchase <sup>(2)</sup> .....	0.0	0.0	0.0	0.0	8,290.6	5,724.0
National tax free bonds .....	1.8	1.8	1.8	1.8	1.8	1.8
Development bonds/notes.....	12,620.1	13,883.4	18,239.0	17,947.9	21,264.3	26,971.9
Public sector arrears.....	9.6	9.3	9.1	9.0	8.8	8.8
Treasury bonds <sup>(3)</sup> .....	0.0	0.0	0.0	0.0	0.0	1,559.3
Open market operations .....	14,200.0	14,200.0	14,200.0	14,200.0	13,930.0	14,200.0
BOLTS <sup>(4)</sup> and leases.....	722.5	671.4	611.5	544.7	471.2	387.6
Central Bank fixed interest bonds.....	444.7	444.7	320.7	318.7	80.0	6.0
<b>Total Domestic Debt</b> .....	<b>33,798.7</b>	<b>35,010.6</b>	<b>39,182.2</b>	<b>38,822.1</b>	<b>49,846.7</b>	<b>54,659.4</b>
<b>Total Domestic Debt (expressed as a percentage of GDP)</b> .....	<b>19.3%</b>	<b>28.9%</b>	<b>29.8%</b>	<b>25.8%</b>	<b>32.5%</b>	<b>33.1%</b>

Source: Ministry of Finance and the Economy.

E Estimated.

(1) Open market operations and debt management bills/notes are used to sterilize excess deposits of the financial system and are subtracted from total debt when calculating debt-to-GDP ratios.

(2) CLICO Short Term Investment Products (STIPs.)

(3) Consists of treasury bonds issued under the Treasury Bond Act, Chapter 71:43.

(4) Build Own Lease Transfer Projects.

The Central Government's total domestic debt was TT\$49,846.73 million at September 30, 2012, representing an increase of 28.4% from total domestic debt at September 30, 2011. The increase in total domestic debt was primarily due to the issuance of a series of one- to 20-year zero coupon bonds in fiscal year 2012 under the Purchase of Certain Rights and Validation Act (No. 17) in an aggregate principal amount of TT\$8,290.6 million, as well as the issuance of an aggregate principal amount of TT\$1,500.0 million in bonds to finance payments to policyholders of CLICO. These borrowings resulted in a 6.7% increase in total domestic debt as a percentage of GDP in fiscal year 2012 from fiscal year 2011.

The Central Government's total domestic debt is estimated to be TT\$54,659.4 million at September 30, 2013, representing an increase of 9.7% from total domestic debt at September 30, 2012. The increase in total domestic debt was primarily due to the issuance of treasury bonds in an aggregate principal amount of TT\$1,559.27 million to assist in the absorption of excess liquidity in the Republic's financial system, as well as the issuance of a TT\$5,100.0 million bond to assist in the recapitalization of CLICO.

In fiscal year 2013, an aggregate principal amount of TT\$3,646.0 million of the zero coupon bonds series issued in fiscal year 2012 was redeemed as policy-holders exchanged their bonds for shares in the CLICO Investment Fund.

#### **Divestment of State-Owned Enterprises and Public Utilities**

As of September 30, 2013, the Central Government owned an interest in 60 state-owned enterprises in various sectors of the economy, of which 48 were wholly owned, seven were majority-owned and five were minority-owned. The Central Government is indirectly involved in 31 additional entities in addition to these 60 state enterprises.

The Central Government held investments in four statutory public utilities: water, power, port services and mass transit. Beginning in 1993, the Central Government embarked on a program aimed at privatization and divestment of its portfolio of investments in state-owned enterprises.

The Central Government's decisions to privatize are guided by its policy framework, which provides criteria to evaluate state equity holdings, including strategic national significance, protection of the public interest, optimal resource utilization, viability of the enterprise, market efficiency, requirements for long-term competitiveness and socio-economic implications. The Central Government primarily conducts divestments through the sale of shares or the sale of assets.

The perceived economic benefits from the rationalization program include an enhanced domestic climate for investment and private sector activity, the widening of share ownership in the country, increased competition and greater efficiency in the various markets for goods and services, deepening of the capital market, increased flow of foreign investment and improved fiscal and external accounts over the medium-term. The Central Government is committed to the implementation of the rationalization program because it attaches a great deal of importance to reducing the role of the public sector in undertakings of a private nature. In July 2013, the Central Government successfully launched an initial public offering of 20% of the shares of the state-owned First Citizens Bank.

## PUBLIC SECTOR EXTERNAL DEBT

The following table sets forth the Republic's total public sector external debt for the fiscal years indicated.

	Year Ended September 30,				
	2008	2009	2010	2011	2012
	<i>(in millions of U.S. dollars unless otherwise indicated)</i>				
<b>Public Sector</b>					
Central Government <sup>(1)</sup> .....	1,492.7	1,550.9	1,381.1	1,484.8	1,661.0
State-Owned Enterprises and Utilities.....	114.5	494.5	470.9	507.2	467.7
<b>Total Public Sector External Debt</b> .....	<b>1,607.2</b>	<b>2,045.4</b>	<b>1,852.0</b>	<b>1,992.0</b>	<b>2,128.7</b>
Public Sector External Debt/GDP ( <i>expressed as a percentage of Nominal GDP</i> ) .....	5.7%	10.6%	8.9%	8.4%	8.8%
Public Sector External Debt/Exports of Goods and Services <sup>(2)</sup> .....	8.8%	16.5%	16.0%	10.7%	11.3%

Source: Central bank of Trinidad and Tobago, Ministry of Finance and the Economy and the Central Statistical Office.

- (1) Central Government debt includes two renminbi-denominated concessional loan facilities established in 2006 and 2011, in the amounts of CNY 812 million and CNY 207 million, respectively.
- (2) The total debt service ratio is the portion of the Republic's earnings from the export of goods that is required to pay principal and interest on the total external debt of the Republic due in a defined period. The amount of total exports for each fiscal year was used to calculate the debt service ratio. Exports for each of the fiscal years 2008, 2009, 2010, 2011 and 2012 were U.S.\$18,221.9 million, U.S.\$12,385.3 million, U.S.\$11,581.39 million, U.S.\$18,588.40 million, and U.S.\$18,770.34 million, respectively.

At September 30, 2012, total public sector external debt was estimated at U.S.\$ 2,128.7 million, which represents an increase of 7.0% over total public sector external debt at September 30, 2011. This increase was a result of disbursements made under multilateral and concessional facilities during 2012. The total public sector external debt, which represented 8.4% of GDP in 2011, increased to 8.8% of GDP in 2012. The ratio of the public sector external debt to exports of goods and services increased from 10.7% in fiscal year 2011 to 11.3% in fiscal year 2012. Government-guaranteed external debt, which fluctuated over the period from 2008 to 2011, declined by 8.0% in 2012 from the previous period.

The following table sets forth the public sector external debt by creditor composition for the fiscal years indicated.

	At September 30,					
	2008	2009	2010	2011	2012	2013
	<i>(in millions of U.S. dollars)</i>					
<b>Official Creditors</b> .....	<b>479.4</b>	<b>452.4</b>	<b>558.7</b>	<b>743.4</b>	<b>736.2</b>	<b>719.9</b>
Multilateral.....	479.4	452.4	558.7	743.4	736.2	719.9
<b>Private Creditors</b> .....	<b>1,078.1</b>	<b>1,054.8</b>	<b>1,127.2</b>	<b>1,147.1</b>	<b>1,126.6</b>	<b>1,108.2</b>
Commercial Banks.....	288.1	541.6	614.0	633.9	613.4	595.0
Bondholders .....	790.0	513.2	513.2	513.2	513.2	513.2
<b>Total</b> .....	<b>1,557.5</b>	<b>1,507.2</b>	<b>1,685.9</b>	<b>1,890.5</b>	<b>1,862.8</b>	<b>1,828.1</b>

Source: Central Bank of Trinidad and Tobago.

At September 30, 2013, 60.6% of public external debt was held by private creditors. Official creditors accounted for the remaining 39.4% (U.S.\$719.9 million) of public external debt. At December 31, 2012, the public external debt of the Republic was primarily denominated in U.S. dollars. However, the Republic also had public external debt denominated in other currencies, such as the Chinese renminbi and the British pound.

### Debt Relief

Over the last 20 years, the Republic has sought neither debt forgiveness nor debt relief by way of deferral of interest payments on its outstanding loans. The Republic has always paid, in accordance with their original terms, the principal and interest due on its international capital markets issuances, and successive governments have always duly honored the commitments and obligations of previous administrations.

## External Debt Service

The following table sets forth the Republic's total external debt service for each of the fiscal years indicated.

	Year Ended September 30,				
	2008	2009	2010	2011	2012
	<i>(in millions of U.S. dollars unless otherwise indicated)</i>				
Principal.....	64.9	66.3	68.8	98.9	111.7
Interest .....	102.5	86.8	70.3	59.5	61.1
Total external debt service .....	167.3	153.1	139.1	158.4	172.8
Export of goods and services .....	18,221.9	12,385.3	11,581.4	18,588.4	18,770.3
<b>Total debt service/export of goods and service .....</b>	<b>0.9%</b>	<b>1.2%</b>	<b>1.2%</b>	<b>0.9%</b>	<b>0.9%</b>

Source: Ministry of Finance and the Economy.

During fiscal year 2012, principal repayments by the Central Government totaled U.S.\$111.7 million, compared to U.S.\$98.9 million for fiscal year 2011. Interest payments made by the Central Government during fiscal year 2012 totaled U.S.\$61.1 million, representing a 2.6% increase over fiscal year 2011. This increase was largely due to interest paid on two recently contracted concessional facilities. Total debt service payments totaled U.S.\$172.8 million in fiscal year 2012, which was U.S.\$14.3 million higher than in fiscal year 2011. The debt service ratio remained flat at 0.9% in both fiscal years 2011 and 2012.

The following table sets forth the Republic's projected external debt service payments for each of the fiscal years ended September 30, 2013 through 2022, based on the total external debt outstanding at September 30, 2012, as adjusted for funds committed and expected to be drawn over the period. The projections are based on the assumption that the interest rates as of the last interest payment dates will continue to be in effect until the respective maturity dates of the debt instruments, not giving effect to this offering. These projections may change, as interest and exchange rates fluctuate considerably, and any change may be material.

	Year Ended September 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	<i>(in millions of U.S. dollars)</i>									
Principal.....	112.5	115.5	105.6	100.6	95.2	113.2	110.4	357.1	80.5	71.6
Interest .....	50.6	67.6	64.9	62.7	60.2	57.4	55.7	53.6	28.8	26.9
<b>Total debt service.....</b>	<b>163.2</b>	<b>183.1</b>	<b>170.5</b>	<b>163.3</b>	<b>155.4</b>	<b>170.6</b>	<b>166.1</b>	<b>410.7</b>	<b>109.3</b>	<b>98.5</b>

Source: Ministry of Finance and Economy; Central Bank.

It is expected that external financing will continue to contribute to gross capital formation over the medium-term. It is also expected that the major source of financing will be the IDB. Other sources are expected to include the international capital markets, and government-to-government arrangements.

## TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes (the “Conditions”) that will appear on the reverse of each of the Notes. Certain provisions of the Notes refer to and are subject to a fiscal agency agreement (the “Agency Agreement”), to be dated as of December 16, 2013, among the Republic, Deutsche Bank Trust Company Americas, as fiscal agent, registrar, transfer agent and paying agent, and Deutsche Bank Luxembourg S.A., as listing agent, transfer agent and paying agent in Luxembourg.

1. **General.** (a) This Note is one of a duly authorized issuance of 4.375% Notes due 2024 (the “Notes”) of the Republic, limited to the aggregate principal amount of U.S.\$550,000,000 (except as otherwise provided below) issued pursuant to the Agency Agreement, among the Republic of Trinidad and Tobago (the “Republic”), Deutsche Bank Trust Company Americas as fiscal agent (the “Fiscal Agent”) and as registrar (the “Registrar”), the paying agent named therein (the “Paying Agent”) and, together with the Fiscal Agent, the “Paying Agents”), the listing agent named therein (the “Listing Agent”) and the transfer agent named therein (the “Transfer Agent”). In these conditions, “Fiscal Agent,” “Registrar,” “Paying Agent,” “Listing Agent” and “Transfer Agent” shall include any successors appointed from time to time in accordance with the provisions of the Agency Agreement, and any reference to an “Agent” or “Agents” shall mean any or all, as applicable, of such persons.

(b) The Notes are the direct, general and unconditional obligations of the Republic. The Notes will constitute (subject to Condition 10 below) a charge upon, and be payable out of, the Consolidated Fund of the Republic and shall at all times rank pari passu and without any preference among themselves and at least equally with all other present and future obligations of the Republic that constitute charges upon the Consolidated Fund. In these Conditions, “Consolidated Fund” shall mean the Consolidated Fund of the Republic referred to in the Constitution of the Republic, Chap. 1:01 of the laws of the Republic.

(c) Notes of any one series need not be issued at the same time and, unless specifically provided otherwise, a series may be reopened without the consent of any persons in whose name a Note is registered (the “Noteholders”) for issuances of additional notes of such series; provided that if the additional notes are not fungible with the Notes for U.S. federal income tax purposes, the additional notes will have a separate CUSIP number.

(d) The holders of the Notes will be entitled to the benefits of, be bound by, and be deemed to have notice of, all of the provisions of the Agency Agreement. Copies of the Agency Agreement may be inspected at the specified office of the Fiscal Agent and at the offices of each of the other Agents.

(e) The issuance of the Notes is authorized under the External Loans Act Chap. 71:05 of the laws of the Republic.

2. **Form, Denomination and Title.** (a) This Note is issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Notes, and the transfer thereof, shall be registered as provided in Condition 9 below and in the Agency Agreement. In this Note, “holder,” in relation to a Note, means the person in whose name a Note is registered. A Noteholder may (to the fullest extent permitted by law) be treated at all times, by all persons and for all purposes, as the absolute owner of such Note, regardless of any notice of ownership, theft or loss or of any writing thereon.

(b) Notes initially sold within the United States in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the “Securities Act”), will be represented by a restricted, single permanent global Note in registered form without interest coupons (the “Rule 144A Global Note”) and will be deposited with the Registrar, as custodian for The Depository Trust Company (“DTC”), and registered in the name of a nominee of DTC.

(c) The Notes initially sold in offshore transactions in reliance on Regulation S under the Securities Act will be represented by a single, unrestricted, permanent global Note in registered form without interest coupons (the “Regulation S Global Note” and, together with the Rule 144A Global Note, the “Global Notes”) and will be deposited with the Registrar, as custodian for DTC, and registered in the name of a nominee of DTC. Owners of beneficial interests in the Global Notes will not be entitled to receive individual definitive Notes in registered form (the “Definitive Notes” and, together with the Global Notes, the “Notes”) unless (i) DTC notifies the Republic that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Global Notes or ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended, or if at any time it is no longer eligible to act as such, and the Republic is unable to appoint a qualified successor within

90 days of receiving notice or becoming aware of such ineligibility on the part of DTC, (ii) the Republic, at its option, elects to terminate the book-entry system through DTC with respect to the Global Notes, or (iii) after the occurrence of an Event of Default (as defined below), holders of beneficial interests in the Global Notes representing not less than a majority of the aggregate principal amount of the Global Notes outstanding advise the Fiscal Agent, through DTC in writing, that the continuation of a book-entry system through DTC (or a successor thereof) with respect to the Global Notes is no longer in such holders' best interest, and the Fiscal Agent shall notify all holders of beneficial interests of the Global Notes through DTC of the availability of Definitive Notes.

(d) The Notes will not be issued in bearer form. The rights in respect of each Note issued to DTC and registered in the name of its nominee will be those of the registered nominee. Accordingly, each person having a beneficial interest in such Note must rely on the procedures of the institutions having accounts with DTC to exercise any rights of such person. As long as Notes are held through DTC's book-entry settlement system, ownership of beneficial interests in such Note will (unless otherwise required by applicable law) be shown on, and transfers of such beneficial interests may be effected only through, records maintained by (i) DTC or its registered nominee or (ii) institutions having accounts with DTC (including, without limitation, Euroclear and Clearstream, Luxembourg). Beneficial interests in the Global Notes may be held in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

**3. Interest.** Interest on the Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed (but not more than 30 days in a month).

The Notes will bear interest from and including December 16, 2013 to, but excluding, January 16, 2024 at the rate of 4.375% per annum on the principal amount thereof payable semiannually in arrears on January 16 and July 16 in each year, commencing on January 16, 2014. Each Note will cease to bear interest from and including the due date for redemption unless, upon due presentation and surrender, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant holder and (ii) the day that is seven days after the date the Fiscal Agent has notified Noteholders of receipt of all sums due in respect of all of the Notes (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

**4. Payment and Paying Agent.** (a) Principal of, and interest on, the Notes will be payable by the Republic at the office or agency of the Paying Agent. Payment of principal of the Notes (together with accrued interest) will only be made to the person in whose name such Note is registered as of the close of business on the due date for payment of principal, following presentation and surrender of such Note at the office of any Paying Agent, by U.S. dollar check drawn on, or by transfer to a U.S. dollar account maintained by the holder with, a bank located in New York City. Payment of interest on a Note will be made to the person in whose name such Note is registered at the close of business on the fifteenth day (whether or not a Business Day) (the "Record Date") prior to the relevant due date for the payment of interest. Payment of such interest will be made by a U.S. dollar check drawn on a bank in New York City mailed to the registered holder at such holder's registered address, or, upon application of the holder to the Registrar not later than the relevant Record Date, by transfer of immediately available funds to a U.S. dollar account maintained by the holder with a bank in New York City. If any day for payment of principal or interest in respect of any Note is not a Business Day, the holder shall not be entitled to payment, or to any interest or other sums, in respect of such postponed payment until the next Business Day following such day in such place.

Holders of beneficial interests in the Notes will be paid in accordance with the procedures of the relevant clearing system and its direct participants, if applicable. Neither the Republic nor the Fiscal Agent shall have any responsibility or liability for any aspect of the records of, or payments made by, the relevant clearing system or its nominee or direct participants, or any failure on the part of the relevant clearing system or its direct participants in making payments to holders of the Notes from the funds they receive.

In these Conditions, "Business Day" means a day, other than a Saturday or Sunday, on which commercial banks and foreign exchange markets are open, or not authorized to close, in New York City or the city of the Agent to which the Note is surrendered for payment.

(b) The initial Agents and their initial specified offices are listed below. Any of the Agents may resign in accordance with the provisions of the Agency Agreement, and the Republic reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents; provided that while the Notes are outstanding it will maintain (i) a Fiscal Agent, (ii) a Registrar and (iii) a Paying Agent and a Transfer Agent having a specified office in Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require. Notice of any change in the Agents or their specified offices will promptly be given to the Noteholders in accordance with Condition 14 below.

The Republic has appointed the Fiscal Agent to initially serve as its Registrar, Paying Agent and Transfer Agent for the Notes.

(c) Payments in respect of the Notes shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

**5. Payments of Additional Amounts.** (a) All payments by the Republic in respect of the Notes shall be made without withholding or deduction for or on account of any present or future taxes, duties, fines, penalties, assessments or other governmental charges in the nature of a tax (or interest on any taxes, duties, fines, penalties, assessments or other governmental charges in the nature of a tax) (“Taxes”) imposed or levied by or on behalf of the Republic or any political subdivision or authority thereof or therein having power to tax, unless the Republic is compelled by law to deduct or withhold such Taxes. In that event, the Republic shall make such withholding and make payment of the amount so withheld to the appropriate governmental authority and forthwith pay such additional amounts (“Additional Amounts”) as may be necessary to ensure that the net amounts receivable by the holders or beneficial owners of the Notes after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes in the absence of such withholding or deduction. Notwithstanding the foregoing, no such Additional Amounts shall be payable with respect to Notes:

(i) to a holder or beneficial owner of the Notes who is liable for such Taxes (or interest thereon) in respect of such Note by reason of any present or former connection between such holder or beneficial owner (or between a fiduciary, settlor, beneficiary, member or shareholder of such holder or beneficial owner, if such holder or beneficial owner is an estate, a trust, a partnership, or a corporation) and the Republic other than the mere holding, disposition or enforcement of rights under the Note;

(ii) to a holder or beneficial owner of the Notes who is liable for such Taxes by reason of such holder or beneficial owner’s failure to comply with any reasonable certification, identification, documentation or other reporting requirement concerning the nationality, residence, identity or connection with the Republic (or any political subdivision or authority thereof or therein having the power to tax) of such holder or beneficial owner, if (A) compliance is generally required by law as a precondition to, exemption from, or reduction in the rate of, the tax, assessment or other governmental charge and (B) the Republic has given the holders or beneficial owners at least 30 days’ notice that holders or beneficial owners will be required to provide such certification, identification, documentation or other information; or

(iii) any estate, inheritance, gift, sales, transfer, personal property, value added or similar Taxes;

(iv) any Taxes imposed on a payment on the Notes to an individual that are required to be made pursuant to European Union Council Directive 2003/48/EC regarding the taxation of savings income, or any other directive implementing the conclusions of the Economic and Finance Affairs Council of the member states of the European Union (ECOFIN) meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, any such directive;

(v) any Tax payable other than by deduction or withholding from payments under, or with respect to, the Notes;

(vi) where the holder or beneficial owner of the Notes is resident in the European Union and could avoid such Tax by requesting that a payment on the Notes be made by, or is able to avoid such Tax by presenting the relevant Notes for payments to another paying agent in the European Union; or

(vii) any combination of clauses (i) through (vi) above.

Except as specifically provided under this Condition 5, the Republic shall not be required to make a payment with respect to any tax of any other nature imposed by any government or a political subdivision or taxing authority thereof or therein.

(b) Whenever there is mentioned herein, in any context, the payment of the principal of or interest on, or in respect of, a Note, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this Condition 5 to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of this Condition 5, and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made.

6. **The Agents.** (a) In acting under the Agency Agreement and in connection with the Notes, the Agents are acting solely as agents of the Republic and do not assume any obligation toward, or relationship of agency or trust for or with, the owner or holder of any Note.

(b) All monies paid by or on behalf of the Republic to the Fiscal Agent or any other paying agent for the payment of the principal of or interest on any Note which remain unclaimed, at the end of 12 years in the case of principal and six years in the case of interest, after such principal or interest shall have become due and payable, will be repaid to the Republic upon the Republic's written request therefor, and the holder of such Note will look only to the Republic for payment. Upon such repayment, all liability of the Fiscal Agent and any other paying agent with respect thereto shall thereupon cease, without, however, limiting in any way the obligation of the Republic in respect of the amount so paid.

7. **Redemption and Purchase.** (a) If not previously redeemed, the entire principal amount of the Notes, together with accrued interest thereon, is payable on January 16, 2024.

(b) The Republic may at any time purchase Notes in the open market or otherwise at any price. Any purchase by tender shall be made available to all Noteholders alike. Notice of any tender shall be given to Noteholders in accordance with Condition 14 below. The Notes so purchased, while held by or on behalf of the Republic, shall not entitle the holder to vote the Notes and shall not be deemed to be outstanding for purposes of calculating quorums.

(c) All Notes so redeemed or purchased shall be cancelled and may not be reissued or resold. In the event any Notes are so redeemed and purchased, the Republic will notify the Luxembourg Stock Exchange and the Fiscal Agent accordingly.

8. **Events of Default.** In the event that one or more of the following events (herein referred to as "Events of Default") shall have occurred and be continuing:

(a) the Republic shall default in the payment of principal or interest in respect of any of the Notes, in each case when and as the same ought to be paid, and such default shall continue for a period of 30 days thereafter; or

(b) the Republic shall fail to perform any of its other obligations under the Notes or the Agency Agreement, which default shall continue unremedied for 60 days after notice of such default shall have been given to the Republic by the Noteholders; or

(c) if any External Indebtedness (as defined below) of the Republic with an aggregate principal amount outstanding of at least U.S.\$25.0 million shall become prematurely payable or repayable following a default and payment thereof is accelerated or if the Republic defaults in the payment or repayment of any of its External Indebtedness with an aggregate principal amount outstanding of at least U.S.\$25.0 million on the maturity thereof as extended by any applicable days of grace or any guarantee or indemnity given by the Republic of any such External Indebtedness of others shall not be honored when due and called or within any period of grace applicable thereto; or

(d) a moratorium shall be declared on the payment of any External Indebtedness of the Republic or the Republic shall stop or suspend payment of any of its External Indebtedness or shall convene a meeting for the purposes of making, or shall propose or enter into, any arrangement or composition for the benefit of its creditors generally, or any class thereof, in respect of any of its External Indebtedness; or

(e) the Republic shall cease to be a member of the IMF or shall cease to be eligible to use the general resources of the IMF; or

(f) (i) the validity of the Notes or the Agency Agreement shall be contested by the Republic or any legislative, executive or judicial body or official of the Republic that is, in each case, authorized by law to do so and has the legal power and authority to declare the Notes or the Agency Agreement invalid or unenforceable, (ii) the Republic shall deny any of its obligations under the Notes or, to the extent adversely affecting the Noteholders, under the Agency Agreement to any of the Noteholders or (iii) any constitutional provision, treaty, convention, law, regulation, ordinance or decree of the Republic, or any final decision by any court in the Republic having jurisdiction from which no appeal may be taken, shall render any material provision of the Notes or any material provision of the Agency Agreement invalid or unenforceable; or

(g) any constitutional provision, treaty, convention, law, regulation, ordinance, decree, consent, approval, license or other authority necessary to enable the Republic to (i) pay amounts due under the Notes or (ii) perform its material obligations under the Notes or the Agency Agreement or for the validity or enforceability thereof, shall expire, be withheld, revoked, terminated or otherwise cease to remain in full force and effect; or

(h) any writ, execution, attachment or similar process shall be levied, after the date hereof, against all or any substantial part of the assets of the Republic in connection with any judgment for the payment of money exceeding U.S.\$50.0 million (or its equivalent in other currencies) and shall remain unsatisfied, undischarged and in effect for a period of 60 consecutive days without a stay of execution, unless such judgment is adequately bonded or is being contested in good faith by appropriate proceedings properly instituted and diligently conducted and, in either case, such process is not being executed against such assets; or

(i) the adoption of any applicable law, rule or regulation or any change therein which shall make it unlawful for the Republic to comply with its obligations to pay amounts in accordance with “Additional Amounts” above in the event that the Republic shall be required to withhold or deduct any taxes, duties, fines, penalties, assessments or governmental charges on payments of principal of or interest on the Notes;

then the holders of not less than one-fifth in principal amount of the Notes outstanding may declare the principal of, and interest accrued on, all of the Notes then outstanding to be due and payable immediately at their principal amount plus interest accrued thereon to the date of payment, including any Additional Amounts, by written notice to the Fiscal Agent or the Republic. Any declaration of acceleration may be rescinded by the holders of a majority in principal amount of the Notes outstanding, except as provided in Condition 12(b) below, prior to payment as contemplated therein. Upon any such declaration of acceleration as aforesaid, and unless all such defaults shall have been cured by the Republic prior to receipt of such written notice or waived as described above, the principal of such Note and the interest accrued thereon shall become and be immediately due and payable.

**9. Replacement, Exchange and Transfer.** (a) If any Note shall become mutilated or defaced or be destroyed, lost or stolen, the Fiscal Agent shall, subject to having received the prior approval of the Republic (such approval not to be unreasonably withheld), authenticate and deliver a new Note at the offices of the Registrar, on such terms as the Republic or the Registrar may require, in exchange and substitution for the mutilated or defaced Note or in lieu of and in substitution for the destroyed, lost or stolen Note. In every case of destruction, loss or theft, the applicant for a substitute Note shall furnish to the Republic, the Fiscal Agent and the Registrar such indemnity as the Republic, the Fiscal Agent or the Registrar, as the case may be, may require and evidence to their satisfaction of the destruction, loss or theft of such Note, and of the ownership thereof. In every case of mutilation or defacement of a Note, the holder shall surrender to the Registrar the Note so mutilated or defaced. In addition, prior to the issuance of any substitute Note, the Republic may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Fiscal Agent or the Registrar) connected therewith. If any Note that has matured or is about to mature shall become mutilated or defaced or be apparently destroyed, lost or stolen, the Republic may pay or authorize payment of the same without issuing a substitute Note.

(b) Upon the terms and subject to the conditions set forth in the Agency Agreement, and subject to Condition 9(e) below, a Note or Notes may be exchanged for a Note or Notes of equal aggregate principal amount, but in such different authorized denominations as may be requested by the holder, by the surrender of such Note or

Notes to the office of the Registrar, or to the office of any transfer agent, together with a written request for the exchange.

(c) Upon the terms and subject to the conditions set forth in the Agency Agreement, and subject to Condition 9(e) below, a Note may be transferred in whole or in part (in the principal amount of U.S.\$200,000 or integral multiples of U.S.\$1,000 in excess thereof) by the holder or holders surrendering the Note for registration of transfer at the office of the Registrar or at the office of any transfer agent, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Republic and the Registrar or any such transfer agent, as the case may be, duly executed by the holder or holders thereof or such holder's or holders' attorney-in-fact or attorneys-in-fact duly authorized in writing.

(d) The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions, except for the expenses of delivery by other than regular mail (if any) and except, if the Republic shall so require, the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto or, in connection with Condition 9(a) above, the fees and expenses of the Registrar or Fiscal Agent, will be borne by the Republic.

(e) The Registrar may decline to register the transfer or exchange of Notes for a period of 15 days preceding the due date for any payment of principal of or interest on the Notes or register the transfer of or exchange any Notes previously called for redemption.

**10. Negative Pledge.** (a) Negative Pledge. As long as any Note remains outstanding (as defined in the Agency Agreement), the Republic will not create or permit to subsist any Security (as defined below) upon the whole or any part of its present or future revenues, property or assets to secure any present or future Public External Indebtedness (as defined below) without at the same time or prior thereto securing the Notes equally and ratably therewith or providing such other security for the Notes as shall be approved by the holders of a majority of the aggregate principal amount outstanding of the Notes.

(b) Exceptions. The following exceptions apply to the Republic's obligations under subparagraph (a) above:

(i) any Security upon property to secure Public External Indebtedness of the Republic incurred for the purpose of financing the acquisition of such property;

(ii) any Security existing upon property to secure Public External Indebtedness of the Republic at the time of the acquisition of such property;

(iii) any Security upon property to secure indebtedness of the Republic not included in (i) or (ii) hereof in an outstanding aggregate principal amount not to exceed U.S.\$25.0 million (or the equivalent thereof in another currency);

(iv) any Security in existence as of the date of the Agency Agreement;

(v) any Security securing Public External Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project; provided that (A) the holders of such Public External Indebtedness expressly agree to limit their recourse to the assets and revenues of such project as the principal source of repayment of such Public External Indebtedness and (B) the property over which such Security is granted consists solely of such assets and revenues; and

(vi) any replacement, renewal or extension of any Security permitted by clauses (i) through (v) above to the extent the Security does not extend beyond the same property theretofore subject to such Security, including any replacement, renewal or extension of such Security resulting from the refinancing (without increase in the principal amount) of the Indebtedness secured by such Security.

(c) Definitions. For the purposes of this Note:

(i) “External Indebtedness” means Indebtedness which is payable (or may be paid) (A) in a currency or by reference to a currency other than the currency of the Republic and (B) to a person resident or having its principal place of business outside the Republic.

(ii) “Indebtedness” means any obligation (whether present or future, actual or contingent) for the payment or repayment of borrowed money (including money borrowed by acceptances and leasing).

(iii) “person” means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having a separate legal personality.

(iv) “Public External Indebtedness” means any External Indebtedness of the Republic which is in the form of, or represented by, bonds, notes or other securities which are for the time being or are capable of being or are intended to be quoted, listed or ordinarily dealt on any stock exchange, automated trading system, over-the-counter or other securities market.

(v) “Security” means any mortgage, pledge, lien, hypothecation, charge, guarantee, security interest or other charge or encumbrance, including, without limitation, any equivalent created or arising under the laws of the Republic.

**11. Covenants.** As long as any Note is outstanding, the Republic will:

(a) Notice of Events of Default: Notify the Noteholders in accordance with these Conditions in writing immediately upon becoming aware of the occurrence of any Event of Default or potential Event of Default;

(b) Ranking: Ensure that its obligations under the Notes will at all times constitute the direct, general and unconditional obligations of the Republic ranking at all times *pari passu* without any preference among themselves and at least equally with all other present and future obligations of the Republic that constitute charges upon the Consolidated Fund;

(c) Information: Insofar as permitted by applicable law, give to the Registrar such information as it reasonably requires to perform its functions and, without prejudice to the foregoing, for so long as any Notes are outstanding, the Republic will, during any period in which the Republic is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder of such Notes, or to any prospective purchaser of such Notes designated by such Noteholder, upon written request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act;

(d) Notices to Noteholders: Send to the Fiscal Agent before the date of publication, a copy of the form of each notice to the Noteholders to be published in accordance with Condition 14 below and upon publication two copies of each notice so published;

(e) Further Acts: Insofar as permitted by applicable law, do all such further things as may be reasonably necessary in the opinion of the Fiscal Agent to give effect to the Agency Agreement;

(f) Notice of Late Payment: Forthwith upon request by the Fiscal Agent, give notice to the Noteholders, of any unconditional payment to the Fiscal Agent of any sum due in respect of the Notes made after the due date for such payment;

(g) Listing: Use all reasonable endeavors to maintain the listing of the Notes on the Luxembourg Stock Exchange;

(h) Change in Agents: Give not less than 14 days’ prior notice to the Noteholders of any future appointment or any resignation or removal of any Agent or of any change by any Agent or any of its specified offices and not make any such appointment or removal or change without approval of the Fiscal Agent;

(i) Notes Held by the Republic, Etc.: Send to the Registrar as soon as practicable after being so requested by the Registrar a certificate of the Republic signed by a duly authorized person setting out the total number of Notes which, at the date of such certificate, are held by or on behalf of the Republic;

(j) **Membership in the IMF:** Maintain its membership in, and its eligibility to use the general resources of, the IMF; and

(k) **U.S. Dollar Payments:** Procure that the Central Bank of Trinidad and Tobago shall make available to the Republic sufficient amounts of U.S. dollars to enable the Republic to perform its payment obligations under the Notes and the Agency Agreement.

**12. Modifications, Amendments and Waivers.** (a) The Agency Agreement and the Notes (including these Terms and Conditions) may be modified or amended without the consent of the holder of any Note for the purposes of curing any ambiguity or of curing, correcting or supplementing any defective or inconsistent provisions contained therein or herein or in any manner that the parties thereto may deem mutually necessary or desirable and that will not adversely affect, in any material respect, the interests of the Noteholders.

(b) Modifications and amendments to the Agency Agreement and the Notes (including the Conditions) may be made, and future compliance therewith or past default by the Republic may be waived, with the consent of the Republic and the holders of at least a majority in aggregate principal amount of the Notes at the time outstanding, or by the adoption of a resolution at a meeting of the Noteholders held in accordance with the provisions of Schedule 7 to the Agency Agreement; provided, however, that without the written consent or the affirmative vote of the Republic and the holders of at least 75% in aggregate principal amount of the Notes at the time outstanding, no such modification, amendment or waiver may be made to (i) change the stated maturity of the principal of or any installment of interest on any such Note; (ii) reduce the principal amount of or interest on any such Note; (iii) change the obligation of the Republic to pay Additional Amounts pursuant to Condition 5 or 9 above; (iv) change the currency of payment of principal of or interest on any such Note; (v) impair the right to institute suit for the enforcement of any such payment on or with respect to any such Note; (vi) reduce the percentage of the principal amount of Notes at the time outstanding necessary to modify or amend the Agency Agreement or the Notes or to waive any future compliance or past default or to take any other action under the Agency Agreement or the Notes; or (vii) modify the Republic's obligation to maintain offices or agencies pursuant to Condition 4(b) above and Section 13 of the Agency Agreement. Any such modifications, amendments or waivers will be conclusive and binding on all Noteholders, whether or not they have given such consent or were present at such meeting, and whether or not notation of such modifications, amendments or waivers is made upon the Notes. Any instrument given by or on behalf of any holder of a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note.

**13. Warranties.** The Republic hereby certifies and warrants that all acts, conditions and things required to be done and performed and to have happened precedent to the creation and issuance of the Notes, and to constitute the same as the valid and legally binding obligations of the Republic enforceable in accordance with their terms, have been done and performed and have happened in due compliance with all applicable laws.

**14. Notices.** All notices to Noteholders will be valid if (a) given in writing and mailed to the Noteholders at their respective addresses shown in the Note register, (b) (as long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require) published in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort) or in such other publication or city or cities as specified in the Agency Agreement. Any such notice shall be deemed to have been given (i) on the fourth day after the date of mailing, in the case of mailed notice and (ii) on the date of such publication or, if published more than once, on the first date on which publication is made, in the case of published notice.

**15. Governing Law and Jurisdiction.** (a) The Notes and the Agency Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(b) The Republic has irrevocably submitted to the non-exclusive jurisdiction of any New York state or federal court sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to the Notes and the Agency Agreement, and the Republic has irrevocably agreed that all claims in respect of such action or proceeding may be heard and determined in such New York state or federal court. The Republic has irrevocably waived, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right of jurisdiction in such action or proceeding on account of the place of residence or domicile of the Republic. The Republic has irrevocably appointed the Consul General for

the Republic for the time being and from time to time in New York City (the “Process Agent”), with an office on the date hereof at 125 Maiden Lane, Unit 4A, 4th Floor, New York, New York 10038, United States of America, as its agent to receive, on behalf of itself and its property, service of copies of the summons and complaint and any other process which may be served in any such action or proceeding brought in such New York state or federal court sitting in New York City. Such service may be made by mailing or delivering a copy of such process to the Republic, in the case of any Process Agent at the address specified above for such Process Agent, and the Republic has irrevocably authorized and directed the Process Agent to accept such service on its behalf. As an alternative method of service, the Republic also has irrevocably consented to the service of any and all process in any such action or proceeding in such New York state or federal court sitting in New York City, by the mailing of copies of such process to itself by registered or certified mail at its address specified in the Agency Agreement. A final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Nothing in this provision shall affect the right of any Noteholder to serve legal process in any other manner permitted by law or affect the right of any Noteholder to bring any action or proceeding against the Republic or its property in the courts of other jurisdictions.

If for any reason any Process Agent shall cease to be such agent for the service of process, the Republic shall forthwith appoint a new agent for service of process in New York and notify the Noteholders, pursuant to Condition 14 above, of that appointment within 30 days.

**16. Waiver of Sovereign Immunity.** To the extent that the Republic has or hereafter may acquire or have attributed to it any immunity under any law from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise) with respect to itself or its property, the Republic irrevocably waives such immunity in respect of its obligations under the Notes and the Agency Agreement. Without limiting the generality of the foregoing, the Republic agrees that the waivers set forth in this provision shall be to the fullest extent permitted under the U.S. Foreign Sovereign Immunities Act of 1976, as amended, and are intended to be irrevocable for purposes of such Act.

The Republic has irrevocably waived, to the fullest extent permitted by law, any requirement or other provision of law, rule, regulation or practice which requires or otherwise establishes as a condition to the institution, prosecution or completion of any action or proceeding (including appeals) arising out of or relating to the Notes, the posting of any bond or the furnishing, directly or indirectly, of any other security.

**17. Judgment Currency.** All payments required to be made hereunder by the Republic shall be in U.S. dollars, regardless of any law, rule, regulation or statute, whether now or hereafter in existence or in effect in any jurisdiction, which affects or purports to affect such obligations. The obligation of the Republic in respect of any amount due hereunder shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount of U.S. dollars that any of the Agents may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which any of the Agents receives such payments. If the amount in U.S. dollars that may be so purchased for any reason falls short of the amount originally due, the Republic shall pay such additional amounts, in U.S. dollars, as may be necessary to compensate for such a shortfall. Any obligation of the Republic not discharged by such payment shall be due as a separate and independent obligation and, until discharged as provided herein, shall continue in full force and effect.

**18. Consent to Enforcement.** The Republic has irrevocably and generally consented in respect of any proceedings anywhere to the giving of any relief or the issue of any process in connection with those proceedings, including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those proceedings.

Section 27(4) of the State Liability and Proceedings Act (the “Act”), Chap. 8:02 of the laws of the Republic provides that, except as provided in Section 27 thereof, no execution or attachment or process in the nature thereof shall be issued out of any court in the Republic for enforcing payment by the Republic of any money or costs. Section 27 further provides that where any order (including any order for costs) is made by any court in the Republic in favor of any person against the Republic, the proper officer of the court shall on application, and after taxing of costs, issue a certificate to such person that may be served upon the attorney-at-law for the Republic. If

the order provides for the payment of money or costs, the comptroller of accounts of the Republic shall, subject as provided in that section, pay the amount due to such person. The Act does not provide for a time limit within which the Republic must make payment in accordance with the order.

Any judgments or award by any United States federal or New York State court of competent jurisdiction against the Republic in connection with any action governed by New York law, in which the Republic has not appeared in the relevant proceedings or has unsuccessfully claimed sovereign immunity in such proceedings, may not be enforceable in the courts of the Republic in the following circumstances: (a) the foreign court acted without jurisdiction, (b) the judgment was obtained by fraud, (c) the judgment was obtained by a breach of the rules of natural justice, or (d) the enforcement of the judgment would be contrary to public policy.

## TAXATION

### Trinidad and Tobago Taxation

*The following is a general description of certain Trinidad and Tobago tax laws relating to the Notes and does not purport to be a comprehensive description of the tax treatment of the Notes. Prospective purchasers should consult their tax advisers as to the tax laws and the specific tax consequences of acquiring, holding and disposing of the Notes.*

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase.

Under existing laws and regulations of the Republic, payments by the Republic of principal of and interest on the Notes to a nonresident of the Republic will not be subject to taxation in the Republic and no withholding for any tax in the Republic will be required on any such payments to any such nonresident holders of the Notes. In addition, gains derived from the sale or exchange of Notes will not be subject to income tax in the Republic.

In the event of the imposition of such withholding taxes or duties, the Republic has undertaken to make payments of additional amounts as described under “Terms and Conditions of the Notes—Payments of Additional Amounts.”

### U.S. Federal Income Taxation

#### *U.S. TREASURY DEPARTMENT CIRCULAR 230 DISCLOSURE*

**PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, WE HEREBY INFORM YOU THAT ANY DISCUSSION IN THIS OFFERING CIRCULAR OF U.S. FEDERAL TAX ISSUES IS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DISCUSSION CANNOT BE USED, BY ANY INVESTOR FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON INVESTORS UNDER THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”). SUCH DISCUSSION IS INCLUDED TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES. EACH INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.**

The following discussion is a summary of certain U.S. federal income tax consequences of acquiring, owning and disposing of the Notes. Except where otherwise noted, this discussion applies only to U.S. Holders (as defined below) of Notes that purchase the Notes at the initial issue price indicated on the cover of this offering memorandum and that hold the Notes as “capital assets” (generally, property held for investment). This discussion is based on the Code, its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the U.S. Internal Revenue Service (the “IRS”) and judicial decisions, all as of the date hereof and all of which are subject to change (possibly on a retroactive basis) and to different interpretations. This discussion assumes that the Notes will be issued with less than a *de minimis* amount of original issue discount for U.S. federal income tax purposes.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular investor and investors are urged to consult their own tax advisors regarding their specific tax situations. The discussion does not address the tax consequences that may be relevant to investors subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organizations;
- dealers in securities;
- traders in securities that elect the mark-to-market method of tax accounting with respect to their securities holdings;

- banks or other financial institutions;
- partnerships or other pass-through entities for U.S. federal income tax purposes;
- U.S. Holders whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- U.S. expatriates; or
- investors that hold the Notes as part of a hedge, straddle, conversion or other integrated transaction.

Further, this discussion does not address the U.S. federal estate and gift tax, alternative minimum tax consequences or the Medicare tax on net investment income consequences, or any state, local and non-U.S. tax consequences of acquiring, owning and disposing of the Notes.

As used herein, the term “U.S. Holder” means a beneficial owner of the Notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has an election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Notes, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax adviser as to its consequences of acquiring, owning and disposing of the Notes.

#### *U.S. Holders*

#### *Stated Interest*

Stated interest paid to a U.S. Holder on a Note, including any amount withheld in respect of any taxes and any Additional Amounts, will be includible in such U.S. Holder’s gross income as ordinary interest income at the time such payments are received or accrued, in accordance with such U.S. Holder’s usual method of tax accounting for U.S. federal income tax purposes. In addition, interest on the Notes will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute “passive category” income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any foreign income taxes withheld on interest payments on the Notes. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes, provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

#### *Sale, Exchange or Other Taxable Disposition*

Upon the sale, exchange or other taxable disposition (including a redemption) of a Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition (other than accrued but unpaid stated interest, which will be taxable as ordinary income to the extent not previously included in gross income) and the U.S. Holder’s adjusted tax basis in the Note. A U.S. Holder’s adjusted tax basis in a Note generally will equal the cost of the Note to the U.S. Holder.

Any such gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if the Note has been held for more than one year at the time of its sale, exchange or other taxable disposition. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

Any gain or loss realized on the sale, exchange or other taxable disposition of a Note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale, exchange or other taxable disposition of Notes is subject to foreign income tax, U.S. Holders may not be able to credit such tax against their U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code (because such gain generally would be U.S. source income) unless such income tax can be credited (subject to applicable limitations) against U.S. federal income tax due on other income that is treated as derived from foreign sources. Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes, provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year.

### ***U.S. Backup Withholding and Information Reporting***

Backup withholding and information reporting requirements generally apply to payments of principal of, and interest on, a Note and to proceeds of the sale or redemption of a Note, to U.S. Holders. Information reporting generally will apply to payments of principal of, and interest on, Notes (including Additional Amounts, if any), and to proceeds from the sale or redemption of Notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding will be required on payments made within the United States, or by a U.S. payor or U.S. middleman, on a Note to a U.S. Holder, other than an exempt recipient, if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements.

Backup withholding is not an additional tax. A U.S. Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld, provided the required information is furnished to the IRS in a timely manner.

In addition, for taxable years beginning after March 18, 2010, legislation requires certain U.S. Holders who are individuals to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders should consult their tax advisers regarding the effect, if any, of this legislation on their ownership and disposition of the Notes.

**The above description is not intended to constitute a complete analysis of all tax consequences relating to the ownership of Notes. Prospective purchasers of Notes should consult their own tax advisers concerning the tax consequences of their particular situations.**

## PLAN OF DISTRIBUTION

The Republic and the Initial Purchaser have entered into a purchase agreement dated the date of this Offering Circular, pursuant to which the Initial Purchaser has agreed to purchase, and the Republic has agreed to sell, U.S.\$550,000,000 principal amount of the Notes.

The purchase agreement provides that the obligations of the Initial Purchaser to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Initial Purchaser must purchase all the Notes if it purchases any of the Notes.

The Initial Purchaser proposes to resell the Notes at the offering price set forth on the cover page of this Offering Circular outside of the United States to certain persons in reliance on Regulation S and in accordance with applicable law, and within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A. See "Transfer Restrictions." The price at which the Notes are offered may be changed at any time without notice.

The Notes have not been, and will not be, registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."

Accordingly, in connection with sales outside of the United States, the Initial Purchaser has agreed that, except as permitted by the purchase agreement and set forth in "Transfer Restrictions," it will not offer or sell the Notes within the United States to, or for the account or benefit of, U.S. persons (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of this offering and the closing date, and it will have sent to each dealer to which it sells notes during the 40-day distribution compliance period a confirmation or other notice setting forth the restriction on offers and sales of the Notes within the United States to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer that is not participating in this offering may violate the registration requirement of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The Republic has agreed that, for a period of 60 days from the closing date of this offering, the Republic will not, without the prior written consent of the Initial Purchaser, offer, sell, contract to sell, issue or otherwise dispose of any debt securities in the international capital markets under Rule 144A or Regulation S, or registered under the Securities Act. The Initial Purchaser in its sole discretion may release any of the securities subject to this agreement at any time without notice.

The Initial Purchaser has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver any notes, directly or indirectly, or distribute this Offering Circular or any other offering material relating to the Notes in or from any jurisdiction, except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Republic except as set forth in the purchase agreement.

The Notes will constitute a new class of securities with no established trading market. However, we cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. The Initial Purchaser has advised us that it currently intends to make a market in the Notes. However, it is not obligated to do so and it may discontinue any market-making activities with respect to the Notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the Notes.

In connection with the offering, the Initial Purchaser may purchase and sell Notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the initial purchasers of a greater number of notes than they are required to purchase in the offering.

- Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.
- Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchaser for its own accounts, may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchaser may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchaser commences any of these transactions, it may discontinue them at any time.

In connection with the issue of the Notes, the Initial Purchaser (or persons acting on its behalf), to the extent permitted by applicable law, may over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105% of the aggregate principal amount of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Initial Purchaser or any person acting on his behalf to do this. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the date the Republic receives the proceeds of the issue of Notes and 60 days after the date of the allotment of the Notes.

The Initial Purchaser is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchaser and its affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of its various business activities, the Initial Purchaser and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Republic.

We have agreed to indemnify the Initial Purchaser against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchaser may be required to make because of any of those liabilities.

Purchasers of Notes sold outside of the United States may be required to pay stamp taxes and other charges in compliance with the laws and practices of the country of purchase in addition to the price to investors on the cover page of this Offering Circular.

#### ***The Republic of Trinidad and Tobago***

The Notes may be sold, directly or indirectly, to residents of the Republic (including corporations or other entities organized under the laws thereof).

#### ***European Economic Area***

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this Offering Circular may only do so: (i) in circumstances in which no obligation arises for the Republic or the Initial Purchaser to publish a prospectus

pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Republic nor the Initial Purchaser has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Republic or the Initial Purchaser to publish or supplement a prospectus for such offer. Neither we, the Republic nor the Initial Purchaser have authorised, nor do we or they authorise, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchaser, which constitute the final placement of the Notes contemplated in this Offering Circular.

In relation to each Relevant Member State the Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Republic or Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### ***The United Kingdom***

The Initial Purchaser has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Republic; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

This document is being distributed only to, and is directed only at persons in the United Kingdom that are “qualified investors” within the meaning of Article 2(1)(e) of the Prospectus Directive and that also (i) are “investment professionals” as defined in Article 19(5) of the FSMA (Financial Promotion) Order 2005 (as amended, the “Order”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Offering Circular is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Circular relates is only available to, and will be engaged in with, relevant persons.

## ***Hong Kong***

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

## ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “FIEL”) and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

## ***Singapore***

This Offering Circular has not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore. Accordingly, (i) the Notes may not be offered, sold, or made the subject of an invitation for subscription or purchase; and (ii) this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, may not be circulated or distributed whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (b) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the Notes shall not be sold within the period of six months from the date of the initial acquisition of the Notes, except to any of the following persons:

- an institutional investor (as defined in Section 4A of the SFA);
- a relevant person (as defined in Section 275(2) of the SFA); or
- any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (the “SFR”).

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law.

## FORM, DENOMINATION AND TRANSFER

### Global Notes

Notes offered or sold in offshore transactions in reliance on Regulation S initially will be represented by the Regulation S Global Note and will be registered in the name of a nominee of DTC and deposited with the Registrar as custodian for DTC.

Notes offered, sold or resold within the United States in reliance on Rule 144A will be represented by the Rule 144A Global Note and will be deposited with the Registrar, as custodian for DTC, and registered in the name of a nominee of DTC. The Rule 144A Global Note (and any Notes issued in exchange therefor) will be subject to certain restrictions on transfer set forth below and in the Agency Agreement and, unless determined otherwise by the Republic in accordance with applicable law, will bear the legend regarding such restrictions set forth under “Transfer Restrictions” (the “Securities Act Legend”).

A beneficial interest in the Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note only upon receipt by the Registrar of a written certification from the transferor in the form provided for in the Agency Agreement (a “Transfer Certificate”), to the effect that such transfer is being made to a person who the transferor reasonably believes is purchasing for its own account or accounts as to which it exercises sole investment discretion and that such person and each such account is a qualified institutional buyer, in each case in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Beneficial interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note, whether during or after the period ending on the 40th day after the later of commencement of the offering and the Closing Date (the “40-Day Restricted Period”), only upon receipt by the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Rule 904 of Regulation S.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Note will, upon transfer, cease to be a beneficial interest in such Global Note and become a beneficial interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Note for as long as it remains an interest.

Upon the issuance of the Global Notes, DTC or its nominee will credit, on its internal system, the respective principal amount of the individual beneficial interests represented by each Global Note to the accounts of persons who have accounts with such depository. Such accounts initially will be designated by or on behalf of the Initial Purchaser. Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC (the “DTC Participants”) or persons who hold through DTC Participants (including Euroclear and Clearstream, Luxembourg). Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of the Participants) and the records of the Participants (with respect to interests of persons other than the Participants).

So long as the depository for a Global Note, or its nominee, is the registered owner or holder of such Global Note, such depository or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Agency Agreement and the Notes. No owner of a beneficial interest in a Global Note will be able to transfer that interest except in accordance with the depository’s applicable procedures.

Investors may hold their beneficial interests in the Regulation S Global Note through Clearstream, Luxembourg or Euroclear, if they are participants in such systems, or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and Euroclear will hold beneficial interests in the Regulation S Global Note on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories, which in turn will hold such beneficial interests in the Regulation S Global Note in customers’ securities accounts in the depositories’ name on the books of DTC.

Investors may hold their beneficial interests in the Rule 144A Global Note directly through DTC if they are participants in such system or indirectly through organizations that are participants in such system.

### **Definitive Notes**

Definitive Notes will only be issued to Noteholders or their nominees if (i) DTC notifies the Republic that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Global Notes or ceases to be a “clearing agency” registered under the Exchange Act, or if at any time it is no longer eligible to act as such, and the Republic is unable to appoint a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC, (ii) the Republic, at its option, elects to terminate the book-entry system through DTC with respect to the Global Notes or (iii) after the occurrence of an Event of Default (as defined in the Conditions), holders of beneficial interests in the Global Notes representing not less than a majority of the aggregate principal amount of the Global Notes outstanding advise the Fiscal Agent, through DTC, in writing that the continuation of a book-entry system through DTC (or a successor thereof) with respect to the Global Notes is no longer in such holders’ best interest, and the Fiscal Agent shall notify all holders of beneficial interests of the Global Notes through DTC of the availability of Definitive Notes.

Upon the occurrence of any of the events described in the immediately preceding paragraph, the Republic will execute and the Registrar, upon receipt of an officer’s certificate from the Republic for the authentication and delivery of Definitive Notes, will authenticate and deliver Definitive Notes in any authorized denominations, in an aggregate principal amount equal to the principal amount of the Registered Global Notes representing such Definitive Notes, in exchange for such Definitive Notes.

### **Book-Entry Registration**

Notes are eligible to be held in book-entry form in DTC. DTC has advised the Republic that it is a limited purpose trust company organized under the laws of the State of New York, a member of the United States Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC was created to hold securities for DTC Participants and to facilitate the clearance and settlement of securities transactions between DTC Participants through electronic book-entries, thereby eliminating the need for physical movement of securities. DTC Participants include securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to the DTC system also is available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC Participant either directly or indirectly (“Indirect Participants”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC Participants make book-entry transfers of Global Notes among DTC Participants on whose behalf it acts with respect to such Notes accepted into DTC’s book-entry settlement system as described below and to receive and transmit distributions of principal and interest on such Notes. DTC Participants and Indirect Participants, with which beneficial owners of Global Notes (the “Owners”) have accounts with respect to the Global Notes, similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although the Owners who hold Global Notes through DTC Participants or Indirect Participants do not possess Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which DTC Participants will receive payments and will be able to transfer their interest with respect to the Notes.

Since DTC may only act on behalf of DTC Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge Global Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such Global Notes, will be required to withdraw its Notes from DTC as described below.

DTC has advised the Republic that it will take any action permitted to be taken by an Owner only at the direction of and on behalf of one or more DTC Participants to whose account with DTC such Owner’s Global Notes are credited. Additionally, DTC has advised the Republic that it will take such actions with respect to any percentage of the beneficial interest of Owners who hold Notes through DTC Participants or Indirect Participants only at the direction of and on behalf of DTC Participants whose accountholders include undivided interests that satisfy any such percentage. DTC may take conflicting actions with respect to other undivided interests to the

extent that such actions are taken on behalf of DTC Participants whose accountholders include such undivided interests.

Neither the Republic nor the Registrar will have any liability for any aspect of the records relating to or payments made on account of, beneficial ownership interests, or Notes held by Cede & Co., as nominee for DTC, or by Euroclear or Clearstream, Luxembourg, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### **Transfers within and between DTC, Clearstream, Luxembourg and Euroclear**

Transfers between DTC Participants will be effected in the ordinary way in accordance with DTC Rules and will be settled in same-day funds. The laws of some States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer beneficial interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of DTC Participants, who in turn act on behalf of Indirect Participants and certain banks, the ability of a person having a beneficial interest in a Global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interest, may be affected by the lack of a physical certificate evidencing such interest. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described below and in “Transfer Restrictions,” cross-market transfers between DTC and directly or indirectly through Euroclear or Clearstream, Luxembourg participants will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its respective depositary; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (which are in Brussels time). Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving beneficial interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg participants and participants in Euroclear may not deliver instructions directly to the depositaries for Clearstream, Luxembourg or Euroclear.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant purchasing a beneficial interest in a Global Note from a DTC Participant or Indirect Participant will be credited during the securities settlement processing day immediately following the DTC settlement date and such credit of any transactions in beneficial interests in such Global Note settled during such processing will be reported to the relevant Euroclear or Clearstream, Luxembourg participant on such business day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of beneficial interests in a Global Note by or through a Euroclear or Clearstream, Luxembourg participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Notes among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Republic nor the Registrar will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

## TRANSFER RESTRICTIONS

The Notes are subject to the following restrictions on transfer. By purchasing Notes, you will be deemed to have made the following acknowledgments and representations to, and agreements with, the Republic and the Initial Purchaser:

(1) You acknowledge that:

- the Notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and
- unless so registered, the Notes may not be offered, sold or otherwise transferred except under a transaction exempt from, or not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and in each case in compliance with the conditions for transfer set forth in, as applicable, paragraph (4) or (5) below.

(2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Republic, that you are not acting on the Republic's behalf and that either:

- you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing Notes for your own account or for the account of another qualified institutional buyer, and you are aware that the Initial Purchaser is selling the Notes to you in reliance upon Rule 144A; or
- you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person, other than a distributor, and you are purchasing Notes in an offshore transaction in accordance with Regulation S.

(3) You acknowledge that neither the Republic nor the Initial Purchaser nor any person representing the Republic or the Initial Purchaser has made any representation to you with respect to the Republic or the offering of the Notes, other than the information contained in this Offering Circular. You represent that you are relying only on this Offering Circular in making your investment decision with respect to the Notes. You agree that you have had access to such information concerning the Republic and the Notes as you have deemed necessary in connection with your decision to purchase Notes, including an opportunity to ask questions of and request information from the Republic.

(4) If you are purchasing Notes in reliance upon Rule 144A, you represent that you are purchasing Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the Notes pursuant to Rule 144A or any other available exemption from the registration requirements of the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing Notes, and each subsequent holder of the Notes by its acceptance of the Notes will agree, that until the end of the resale restriction period (as defined below), the Notes may be offered, sold, pledged or otherwise transferred only:

(a) to the Republic or an affiliate of the Republic;

(b) under a registration statement that has been declared effective under the Securities Act;

(c) for so long as the Notes are eligible for resale under Rule 144A, to a person whom the seller reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of another qualified institutional buyer and to whom it has given notice that the offer, sale, pledge or other transfer is being made in reliance on Rule 144A;

(d) through offers and sales that occur outside the United States within the meaning of Regulation S;

- (e) under any other available exemption from the registration requirements of the Securities Act;

subject in each of the above cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be at all times within the seller or such account's control.

You also acknowledge that:

- the above restrictions on resale will apply from the closing date of the offering of the Notes until the date that is one year (in the case of Rule 144A Notes) after the later of the closing date and the last date that the Republic or any of its affiliates was the owner of the Notes or any predecessor of the Notes (which period we refer to in this Offering Circular as the "resale restriction period"), and will not apply after the resale restriction period ends; and
- each Note will bear a legend substantially to the following effect:

**"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SECURITIES LAW OF ANY STATE IN THE UNITED STATES OF AMERICA, AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THE FOLLOWING SENTENCES. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS NOTE, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE EXCEPT (i) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A) PURCHASING FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE SELLER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A; (ii) IN THE UNITED STATES, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE AND UPON DELIVERY OF AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE REPUBLIC); OR (iii) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. TERMS USED IN THIS PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."**

(5) If you are purchasing Notes in reliance upon Regulation S, you represent that you are purchasing Notes for your account, or for one or more investors accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act. You agree, on your behalf and on behalf of any investor account for which you are purchasing Notes, that until the expiration of the 40-day Restricted Period, any offer, sale, pledge or other transfer shall not be made by it in the United States or to or for the account of a U.S. person except pursuant to Rule 144A to a qualified institutional buyer taking delivery therefore in the form of a beneficial interest in the Rule 144A Global Note and that each Regulation S Global Note will bear a legend substantially to the following effect:

**"PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN**

**REGULATION S) EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT TO A PERSON REASONABLY BELIEVED TO BE A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A) UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENT OF RULE 144A.”**

(6) You acknowledge that the Republic, the Initial Purchaser and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have been made by your purchase of Notes is no longer accurate, you will promptly notify the Republic and the Initial Purchaser. If you are purchasing any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

(7) According to the Luxembourg Stock Exchange, Chapter VI, Article 3, point A/II/2 of the Rules and Regulations of the Luxembourg Stock Exchange, the Notes shall be freely transferable, and therefore, no transaction made on the Luxembourg Stock Exchange shall be canceled.

Because of the foregoing transfer restrictions, purchasers of Notes are advised to consult their respective legal advisors prior to making any offer, resale, pledge or other transfer of Notes.

## GENERAL INFORMATION

1. Application will be made for acceptance of the Notes into DTC's book-entry settlement system. The Notes have been accepted for clearance and settlement through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number for the Regulation S Global Note is USP93960AF25, the common code for the Regulation S Global Note is 100656230, the CUSIP Number for the Regulation S Global Note is P93960AF2, the International Securities Identification Number for the Rule 144A Global Note is US896292AH25, the common code for the Rule 144A Global Note is 100658526 and the CUSIP Number for the Rule 144A Global Note is 896292AH2.

2. The Republic has obtained all necessary consents, approvals and authorizations in the Republic of Trinidad and Tobago in connection with the issuance and performance of the Notes. The issuance of the Notes under the External Loans Act Chap. 71:05 of the Laws of the Republic was authorized on 18 July 2013 by the Cabinet of the Republic (as amended on 28 November 2013 by the Cabinet of the Republic).

3. Neither the Republic nor the Central Government (including but not limited to any department, ministry or sub-division thereof) is involved in any litigation or arbitration proceedings that are material in the context of this issuance of Notes nor, so far as the Republic is aware, are any such litigation or arbitration proceedings pending or threatened.

4. Copies of the following documents may be inspected on any business day (Saturdays and public holidays excepted) at the office of the Paying Agent in Luxembourg so long as any of the Notes are listed on the Luxembourg Stock Exchange:

(a) the Agency Agreement incorporating the forms of the global Notes and the definitive Notes; and

(b) copies of the Constitution of the Republic Chap. 1:01 and the External Loans Act Chap. 71:05 of the laws of the Republic.

5. Copies of the most recent annual economic report of the Republic and this Offering Circular will be available free of charge at the offices of the Paying Agent in Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange.

**APPENDIX A – REPUBLIC OF TRINIDAD AND TOBAGO: PUBLIC SECTOR DEBT**

**Public Sector External Direct Debt**

Borrower	Lender	Issue Date	Maturity Date	Currency	Interest Rate	Outstanding Amount At September 30,	
						2012	2013
						<i>(TT dollars)</i>	
GORTT	ANZ	18/04/2008	15/04/2019	USD	Floating	260,164,151.03	219,520,138.16
GORTT	ANZ	18/04/2008	20/04/2016	USD	Floating	85,663,836.84	77,518,074.27
GORTT	BNP	05/04/2007	05/08/2020	GBP	Floating	901,554,407.54	896,376,372.22
GORTT	BNP	05/04/2007	05/10/2014	GBP	Floating	186,402,125.94	148,265,227.27
GORTT	BNP	11/02/2010	15/06/2022	USD	Floating	488,041,338.54	435,473,927.99
GORTT	BNS	06/02/2003	30/11/2015	USD	Floating	31,303,793.93	222,297,004.30
GORTT	CDB	08/09/2003	01/10/2014	USD	Floating	45,784,845.00	25,364,530.00
GORTT	CDB	17/12/1990	01/01/2017	USD	Floating	3,626,396.83	2,503,525.47
GORTT	CDB	15/06/1995	31/12/2019	USD	Floating	105,689,615.46	90,394,156.26
GORTT	CDB	07/11/2000	01/04/2018	USD	Floating	21,706,317.86	17,709,795.85
GORTT	CHINA	26/09/1997	01/01/2017	CNY	0.00%	15,327,600.00	12,555,600.00
GORTT	CHINA	12/05/2006	21/09/2026	CNY	2.00%	749,437,233.54	712,564,051.60
GORTT	CHINA	20/05/2011	21/09/2031	CNY	Floating	203,924,202.63	216,584,100.00
GORTT	CHINA	15/03/2013	21/07/2028	USD	3.00%	0.00	104,995,543.60
GORTT	CHINA	15/03/2013	21/09/2033	CNY	2.00%	0.00	364,387,923.90
GORTT	CITI	27/06/2000	27/06/2030	JPY	3.75%	929,500,000.00	743,600,000.00
GORTT	CITI	01/07/2000	01/07/2020	USD	9.75%	1,609,875,000.00	1,605,350,000.00
GORTT	DB	17/05/2007	17/05/2027	USD	5.875%	965,925,000.00	963,210,000.00
GORTT	EIB	01/09/1978	01/03/2018	XEU	1.00%	673,189.74	588,201.18
GORTT	EIB	01/03/1979	01/03/2024	XEU	1.00%	16,571.30	16,905.14
GORTT	EIB	13/04/1984	01/04/2024	XEU	1.00%	1,693,940.85	1,659,943.38
GORTT	EIB	15/07/1988	15/01/2028	XEU	1.00%	819,997.09	820,041.53
GORTT	EIB	30/10/1990	01/09/2030	XEU	1.00%	30,480,311.32	30,772,240.42
GORTT	HSBC	09/11/2011	09/08/2024	USD	2.42%	47,156,736.00	77,154,662.14
GORTT	IADB	21/06/2002	15/06/2027	USD	Floating	157,750,157.22	146,819,639.56
GORTT	IADB	21/05/2003	21/05/2023	USD	Floating	19,032,836.57	18,781,269.62
GORTT	IADB	17/03/2004	17/03/2035	USD	Floating	15,347,473.37	13,654,152.69
GORTT	IADB	16/03/2007	16/09/2032	USD	Floating	10,878,181.47	10,214,336.69
GORTT	IADB	05/04/2008	05/04/2028	USD	Floating	39,414,556.42	58,910,206.33
GORTT	IADB	17/08/2009	17/08/2029	USD	Floating	3,805,420.85	18,826,957.31
GORTT	IADB	10/12/2010	10/12/2030	USD	Floating	643,950,000.00	642,140,000.00
GORTT	IADB	08/02/2011	08/02/2036	USD	Floating	16,347,063.75	24,747,160.49
GORTT	IADB	30/11/2011	30/11/2031	USD	Floating	289,777,500.00	288,963,000.00
GORTT	IADB	30/11/2011	30/11/2031	USD	Floating	386,370,000.00	385,284,000.00
GORTT	IADB	13/12/2011	13/12/2031	USD	Floating	321,975,000.00	321,070,000.00
GORTT	IADB	13/12/2011	13/12/2031	USD	Floating	515,160,000.00	513,712,000.00
GORTT	IADB	26/03/1987	24/03/2022	USD	2.00%	15,409,032.67	13,748,276.99
GORTT	IADB	05/12/1988	24/11/2023	USD	2.00%	5,348,362.72	4,869,561.92
GORTT	IADB	20/06/1990	20/03/2015	USD	Floating	46,600,319.84	7,472,414.04
GORTT	IADB	30/10/1991	31/10/2026	USD	2.00%	11,734,342.88	10,894,369.95
GORTT	IADB	18/09/1995	08/03/2016	USD	Floating	6,163,388.92	4,097,376.54
GORTT	IADB	12/07/1996	12/07/2021	USD	Floating	482,191,766.83	427,410,182.38
GORTT	IADB	11/06/1996	11/06/2016	USD	Floating	14,434,402.37	10,795,372.70
GORTT	IADB	11/06/1996	11/06/2016	USD	Floating	43,819,222.59	32,772,042.37
GORTT	IADB	27/03/1996	27/03/2021	USD	Floating	73,249,997.02	64,450,683.17
GORTT	IADB	12/07/1996	12/07/2016	USD	Floating	283,547,490.07	212,062,876.00
GORTT	IADB	06/07/1999	06/07/2024	USD	Floating	514,520,387.39	470,318,003.06
GORTT	IADB	30/11/2011	30/11/2036	USD	Floating	0.00	129,153,618.20
GORTT	IBRD	27/06/2003	01/05/2019	USD	Floating	82,270,523.25	68,367,119.24
GORTT	IBRD	14/06/1999	15/06/2014	USD	Floating	14,550,694.20	7,132,890.12
GORTT	IDBNY	11/02/2010	15/12/2017	USD	Floating	76,379,773.68	60,932,066.90
GORTT	IADB	28/09/1993	28/09/2013	USD	Floating	1,406,982.97	0.00
GORTT	IADB	31/03/1993	31/03/2013	USD	Floating	9,150,882.90	0.00

GORTT	IADB	05/08/1993	05/08/2013	USD	Floating	38,385,015.93	0.00
GORTT	IADB	05/08/1993	21/01/2019	USD	Floating	8,933,172.16	0.00

*Source: Ministry of Finance and the Economy*

**Public Sector Domestic Direct Debt**

Borrower	Lender	Issue Date	Maturity Date	Interest Rate	Outstanding Amount At September 30,	
					2012	2013
<i>(TT dollars)</i>						
GORTT	CBTT	23/06/1988	23/06/2013	10.25	75,000,000.00	75,000,000.00
GORTT	CBTT	03/08/2014	03/08/2019	6.15	300,000,000.00	300,000,000.00
GORTT	CBTT	22/09/2004	22/09/2019	6.10	300,000,000.00	300,000,000.00
GORTT	CBTT	24/05/2004	24/05/2015	6.10	400,000,000.00	400,000,000.00
GORTT	CBTT	23/04/2009	23/04/2024	7.75	1,500,000,000.00	1,500,000,000.00
GORTT	CBTT	30/06/2009	30/06/2016	6.20	885,420,920.00	885,420,920.00
GORTT/CLICO	CBTT	09/02/2010	09/02/2025	6.50	600,000,000.00	600,000,000.00
GORTT/CLICO	CBTT	20/04/2010	20/04/2023	5.95	794,000,000.00	794,000,000.00
GORTT	CITI	12/03/1997	07/03/2017	10.875	92,199,492.20	10,244,388.02
GORTT	CITI	31/01/1991	31/01/2016	Floating	64,307,850.00	64,307,850.00
GORTT	CITI	29/11/1991	29/11/2016	Floating	42,872,000.00	42,872,000.00
GORTT	CITI	07/02/1992	06/02/2017	Floating	29,500,154.00	29,500,154.00
GORTT	CITI	26/04/1993	25/04/2018	Floating	42,061,600.00	42,061,600.00
GORTT	CITI	17/05/1995	17/05/2015	11.25	131,977,285.56	131,977,285.56
GORTT	CITI	07/10/1999	08/10/2004	11.00	87,500,000.00	52,500,000.00
GORTT	CITI	30/08/2001	30/08/2016	11.25	120,000,000.00	105,000,000.00
GORTT	CITI	27/09/2001	27/09/2016	10.75	66,666,666.52	58,333,333.18
GORTT/WASA	CITI	07/11/2001	07/11/2021	11.25	173,056,796.36	192,525,685.98
GORTT/WASA	CITI	31/12/2001	31/12/2026	11.25	21,765,984.26	24,214,656.95
GORTT	CITI	30/09/2002	30/09/2022	7.15	500,000,000.00	500,000,000.00
GORTT	CITI	24/06/2003	24/06/2018	6.45	275,000,000.00	250,000,000.00
GORTT	CLICO	30/09/2003	30/09/2018	6.40	400,000,000.00	200,000,000.00
GORTT	CLICO	30/06/2009	30/06/2020	6.40	341,867,920.00	341,867,920.00
GORTT/WASA	FCMB	28/03/2011	28/03/2031	6.10	439,539,686.02	466,760,488.65
GORTT	FINCOR	29/08/1992	23/08/2014	Floating	102,529.97	102,529.97
GORTT	FINCOR	18/02/2000	18/02/2015	11.40	38,359,819.00	30,687,845.00
GORTT	FINCOR	18/02/2000	18/02/2015	11.40	60,000,000.00	40,000,000.00
GORTT	FINCOR	27/06/2002	27/06/2017	7.75	33,333,320.00	26,666,652.00
GORTT	PRI	21/06/1991	21/06/1995	Floating	110,000.00	110,000.00
GORTT/CLICO	PRI	22/11/2011	22/11/2031	6.00	1,608,952,529.59	1,608,952,529.59
GORTT	PRI	27/09/2012	27/09/2027	5.20	2,835,612,133.92	2,835,612,133.92
GORTT	PRI	06/11/2003	06/11/2018	6.25	640,000,000.00	640,000,000.00
GORTT	PRI	15/09/2004	15/09/2014	6.00	516,000,000.00	516,000,000.00
GORTT	PRI	30/11/2006	30/11/2013	8.00	700,000,000.00	700,000,000.00
GORTT	PRI	27/04/2014	27/04/2014	8.00	1,017,978,000.00	1,017,978,000.00
GORTT	PRI	02/07/2008	27/07/2017	8.25	1,200,000,000.00	1,200,000,000.00
GORTT/CLICO/ BAT	PRI	01/12/2011	01/02/2014	0.00	9,173,593,000.00	9,173,593,000.00
GORTT	PRI	21/05/2013	21/05/2020	2.60	1,000,000,000.00	1,000,000,000.00
GORTT	PRI	31/10/2012	31/10/2037	4.25	5,100,000,000.00	5,100,000,000.00
GORTT	RBC	31/05/2001	31/05/2016	11.65	80,000,000.00	60,000,000.00
GORTT	RBC	05/09/2003	05/09/2018	6.25	500,000,000.00	250,000,000.00
GORTT/CLICO	RBC	04/02/2010	04/02/2027	6.60	1,399,800,000.00	1,399,800,000.00
GORTT/CLICO	RBC	04/02/2010	04/02/2029	6.70	1,000,000,000.00	1,000,000,000.00
GORTT/CLICO	RBC	04/02/2010	04/02/2031	6.80	1,000,000,000.00	1,000,000,000.00
GORTT	RBL	30/09/2002	30/09/2022	7.15	300,000,000.00	300,000,000.00
GORTT	SCOTIA	09/12/1997	09/12/2011	Floating	120,035,623.61	108,251,823.03
GORTT	UTC	05/05/2003	05/05/2018	6.40	125,000,001.06	83,333,333.40
GORTT/BWIA	UTC	04/05/2005	04/05/2016	6.30	400,000,000.00	400,000,000.00

Source: Ministry of Finance and the Economy

### Central Government Guaranteed Debt

Lender	Borrower	Amount Guaranteed	Issue Date	Interest Rate	Maturity Date	Balance Outstanding At September 30,	
						2012	2013
		<i>(TT dollars, unless otherwise indicated)</i>				<i>(TT dollars)</i>	
CITI	CARONI	131,000,000	1/6/2004	5.5%	1/6/2014	26,200,000.00	13,100,000.00
RBL	CARONI	438,500,000	23/8/1999	12.60%	23/8/2014	73,083,320.00	36,541,667.00
RBL	CARONI	489,300,000	9/1/2011	6.45%	9/1/2018	197,417,145.00	164,514,099.00
RBL	CARONI	518,500,000	28/3/2003	0%	28/3/2015	205,779,890.00	123,467,933.00
CBTT	EFCL	400,000,000	30/10/2009	5.35%	30/10/2016	400,000,000.00	400,000,000.00
SCOTIA	EXIM	44,680,000	9/6/1995	11.50%	9/6/2014	27,689,850.00	44,329,100.00
FCB	FCH	86,200,000	1/10/1994	11.50%	10/10/2022	52,140,825.00	46,926,743.00
RBL	NHSL	11,500,000	1/12/2008	5.05%	1/12/2018	70,490,954.99	61,568,753.00
SCOTIA	NIDCO	60,219,007	17/3/2010	4.85%	17/3/2015	30,465,274.50	18,081,882.00
SCOTIA	NIDCO	74,656,800	26/8/2008	4.61%	26/8/2013	15,454,800.00	0.00
CITI	NIDCO	327,600,000	20/12/2009	5.30%	21/12/014	167,427,000.00	99,372,000.00
RBC	NIDCO	53,000,000	10/12/2009	7.90%	10/12/2023	44,166,666.67	44,200,090.00
FCB	NIDCO	344,750,000	27/8/2009	7.60%	27/8/2024	275,800,000.00	252,816,667.00
CITI	MTS	178,382,278	15/6/2000	11.75%	15/6/2020	71,465,356.00	66,832,187.00
RBL	TAURUS	60,000,000	1/10/1994	11.50%	1/10/2022	45,691,888.00	41,097,952.00
RBL	TAURUS	494,000,000	8/12/2000	11.50%	8/12/2015	138,110,802.00	98,650,585.00
RBL	TAURUS	61,500,000	1/12/1995	11.50%	30/9/2014	4,625,000.00	2,325,000.00
FCB	TAURUS	155,000,000	1/12/1993	11.50%	1/12/2022	118,037,395.00	106,169,693.00
FCB	TAURUS	101,000,000	1/10/1994	11.50%	1/10/2022	77,362,470.00	69,584,293.00
FCB	TAURUS	268,000,000	3/2/1999	11.50%	3/2/2016	168,089,860.00	151,560,780.00
FCB	TAURUS	US\$32,600,000	30/12/2005	6.25%	30/12/2005	72,342,823.00	51,834,000.00
FCB	TAURUS	US\$31,440,000	8/12/2000	10.125%	8/12/2015	55,000,703.00	38,992,190.00
FCB	TAURUS	362,000,000	3/2/1999	11.50%	3/2/2016	275,674,379.00	247,957,626.00
FCB	TIDCO	595,000,000	5/11/2001	12.55%	5/11/2026	482,222,535.00	450,074,366.00
FCB	TIDCO	180,000,000	29/11/2000	12.25%	29/11/2020	76,500,000.00	67,500,000.00
MERC	TTMF	100,000,000	6/11/1998	8.45%	6/11/2023	100,000,000.00	100,000,000.00
NIB	TTMF	200,000,000	23/8/2000	4.5% BP	23/8/2020	80,000,000.00	70,000,000.00
FCB	UDeCOTT	497,342,684	5/10/2009	6.35%	5/10/2019	401,183,699.00	358,465,971.00
FCB	UDeCOTT	565,866,400	4/6/2011	5.63%	4/6/2021	510,008,400.00	448,000,000.00
CITI	UDeCOTT	192,000,000	18/1/2006	7.00%	18/1/2018	88,000,000.00	72,000,000.00
RBL	UDeCOTT	750,000,000	10/6/2009	6.55%	1/5/2029	741,506,417.00	750,000,000.00
RBL	UDeCOTT	1,650,000,000	10/6/2006	8.15%	1/5/2029	2,471,026,204.00	2,000,000,000.00
RBL	UDeCOTT	225,991,347	31/12/2009	6.35%	15/9/2021	209,441,418.00	191,767,668.00
RBL	UDeCOTT	US\$14,922,008	3/12/2009	6.35%	15/9/2021	89,053,333.00	81,036,800.00
RBL	UDeCOTT	100,000,000	11/10/2010	6.06%	11/10/2021	579,555,000.00	512,000,000.00
CBTT	NIPDEC	500,000,000	19/3/2010	6.25%	19/3/2028	500,000,000.00	500,000,000.00
CBTT	NIPDEC	682,000,000	21/7/2009	6.80%	21/7/2022	682,000,000.00	682,000,000.00
CBTT	NIPDEC	360,000,000	2/9/2010	6.10%	2/9/2028	360,000,000.00	360,000,000.00
CBTT	NIPDEC	750,000,000	17/5/2011	6.55%	17/5/2030	750,000,000.00	750,000,000.00
FCB	NIPDEC	500,000,000	25/10/2011	6.05%	25/10/2026	500,000,000.00	500,000,000.00
FCB	NIPDEC	339,000,000	22/8/2012	5.15%	22/8/2025	339,000,000.00	339,000,000.00
STMB	NIPDEC	150,000,000	27/10/2005	6.25%	27/10/2017	91,666,667.00	75,000,000.00
CBTT	FCH	350,000,000	30/9/2002	4.50%	30/9/2022	175,000,000.00	157,500,000.00
ANZ	NIDCO	AU\$61,272,036	4/5/2007	LIBOR+ 1.40%	12/17/2018	263,090,450.71	243,734,147.86
ANZ	NIDCO	AU\$14,931,995	4/5/2007	LIBOR+ 2.15%	6/6/2014	42,181,090.30	21,167,092.46

Source: Ministry of Finance and the Economy.

**Central Government Letters of Comfort / Letters of Guarantees**

<u>Lender</u>	<u>Borrower</u>	<u>Loan Amount</u> <i>(TT dollars, unless otherwise indicated)</i>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding At September 30</u>	
						<u>2012</u>	<u>2013</u>
FCTMB	BWIA	15,000,000	30/9/2003	30/9/2013	5.85%	3,750,000.00	1,875,000.00
UTC	BWIA	222,900,000	4/5/2005	4/5/2017	6.30%	92,875,000.00	74,300,000.00
FCB	CAL	321,975,000	20/8/2012	7/2/2014	3.95%	292,051,016.00	321,900,000.00
FCB	CAL	US\$64,200,000	22/3/2013	28/2/2014	LIBOR+3.2926	--	413,544,300.00
CBTT	CARONI	400,000,000	12/1/2004	30/7/2018	6.25%	200,000,000.00	166,666,667.00
RBTT	CARONI	319,000,000	12/1/2004	30/7/2013	5.90%	45,571,429.00	0.00
FCIB	ETECK	488,000,000	17/5/2012	17/5/2022	3%	499,478,175.00	439,200,000.00
SCTMB	ETECK	148,000,000	20/4/2012	20/4/2021	4.25%	133,200,000.00	111,000,000.00
FCB	ETECK	160,000,000	14/9/2011	14/9/2021	5.25%	160,000,000.00	160,000,000.00
CITI	NFM	51,516,000	31/10/2011	11/5/2014	4.25%	51,516,000.00	51,516,000.00
SCOTIA	NFM	115,000,000	26/7/2011	31/8/2014	6.76%	115,000,000.00	115,000,000.00
RBL	NHSL	US\$3,000,000	28/4/2011	28/10/2020	6.14%	17,386,650.00	15,120,000.00
SCOTIA	NICT	80,951,856	6/6/2011	6/6/2016	3.25%	64,761,485.00	48,571,114.00
ANSA	NIDCO	153,800,000	16/6/2010	16/6/2018	6%	124,962,500.00	96,125,000.00
UTC	MTS	225,000,000	16/5/2002	16/11/2021	10.15%	109,615,385.00	98,076,923.00
UTC	MTS	175,000,000	16/5/2002	16/11/2022	10.25%	89,743,590.00	80,769,231.00
FCB	NQCL	US\$2,000,000	5/8/2009	29/9/2016	3%	7,806,073.00	5,555,978.00
FCB	SPORTT	68,564,006	15/10/2010	15/10/2015	4.75%	24,169,043.00	18,359,688.00
ANSA	SPORTT	495,937,500	30/11/2012	30/11/2029	3.80%	--	481,351,103.00
UTC	VMCOTT	41,300,000	3/10/2010	10/3/2020	4.90%	33,040,000.00	26,845,000.00
TDC	ANSA	233,191,984	24/02/2010	24/02/2020	5.05%	0.00	0.00
FCB	UdeCOTT	396,900,000	10/9/2012	10/2/2013	3.75%	--	0.00
FCB	UdeCOTT	230,100,000	21/4/2011	21/4/2016	5.25%	230,100,000.00	230,100,000
FINCOR	UdeCOTT	180,300,000	27/5/2013	27/5/2014	2%	--	179,678,221
ANSA	UdeCOTT	399,019,000	25/6/2013	25/6/2021	1.95%	231,361,274.00	399,019,000
ANSA	UdeCOTT	223,097,000	20/5/2013	20/5/2022	1.95%	--	223,097,000
ANSA	UdeCOTT	233,151,656	17/10/2012	17/4/2013	1.95%	--	233,191,982
CBTT	UdeCOTT	214,716,975	31/10/2012	31/10/2020	3.35%	--	213,000,000
ANSA	NIPDEC	37,400,000	17/9/2009	17/9/2012	4.30%	6,233,333.00	0.00
NIB	NIPDEC	250,000,000	15/10/2012	15/10/2032	6.25	--	250,000,000
NIB	NIPDEC	286,252,764	6/10/2006	6/10/2018	8.75%	155,053,581.00	119,271,985
NIB	NIPDEC	265,282,896	25/11/2002	25/11/2014	7.30%	55,267,270.00	33,160,362
BLDESA	EXIM	126,746,000	30/6/2007	30/5/2014	6.45%	128,790,000.00	128,790,000
RBL	NHSL	US\$7,453,000	25/3/2011	25/2/2020	3.50%	39,528,028.00	33,147,194
FCB	UdeCOTT	375,000,000	31/1/2007	31/1/2022	6.09%	2,037,177,302.00	2,015,005,600

*Source: Ministry of Finance and the Economy*

**Statutory Letters of Comfort**

<u>Lender</u>	<u>Borrower</u>	<u>Loan Amount</u> <i>(TT dollars, unless otherwise indicated)</i>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding At September 30</u>	
						<u>2012</u>	<u>2013</u>
						<i>(TT dollars)</i>	
FCB	HDC	450,000,000.00	2/11/2004	2/11/2014	5.75%	450,000,000.00	450,000,000.00
RBL	HDC	120,000,000.00	17/8/2010	17/8/2014	10.00%	71,262,583.79	120,000,000.00
STMB	AATT	320,000,000.00	9/11/2009	9/4/2020	5.85%	256,000,000.00	224,000,000.00
ANSA	AATT	500,000,000.00	19/3/2013	19/12/2013	2%	0.00	500,000,000.00
FCB	AATT	44,417,941.00	23/11/2012	23/11/2017	3.95%	0.00	39,976,147.00
FCIS	PATT	U.S.\$13,400,000	6/6/2007	6/6/2027	Fixed at 10 yr USD Treasuries less 1.77%	56,088,045.00	47,610,200.00
RBL	PTSC	14,000,000.00	14/3/2005	14/9/2014	6.25%	0.00	14,000,000.00
RBC	WASA	U.S.\$30,000,000	28/1/2005	28/9/2017	6%	193,185,000.00	193,800,000.00
RBL	WASA	U.S.\$30,000,000	6/6/2006	6/8/2014	Fixed at 5 yr USD Treasuries plus 1.77%	183,467,696.49	387,600,000.00
ICT	RHA	115,000,000.00	27/8/2009	27/4/2015	5.20%	57,565,941.89	46,052,753.56
FCB	NCC	61,754,140.00	12/1/2011	12/1/2011	4%	0.00	0.00
FCB	NCC	46,056,989.00	8/4/2011	8/4/2011	4%	0.00	0.00
FCB	NCC	53,905,824.00	16/2/2012	16/2/2013	3.75%	51,940,449.93	0.00
FCB	NCC	20,100,000.00	30/7/2012	30/7/2012	3.75%	18,130,925.35	0.00
FCB	NCC	27,826,892.00	7/7/2013	7/2/2014	3.60%	0.00	27,826,892.00
FCIS	UTT	150,000,000	30/4/2010	30/4/2011	3.20%	0.00	0.00

*Source: Ministry of Finance and the Economy*

### Statutory Letters of Guarantees

Lender	Borrower	Amount Guaranteed <i>(TT dollars, unless otherwise indicated)</i>	Issue Date	Maturity Date	Interest Rate	Balance Outstanding At September 30	
						2012	2013
						<i>(TT dollars)</i>	
CITI	AATT	300,000,000.00	12/12/1998	12/12/2018	11.50%	300,000,000.00	300,000,000.00
RBL	AATT	300,000,000.00	17/12/1999	17/12/2019	11.50%	150,000,000.00	130,000,000.00
RBL	AATT	379,300,000.00	8/11/2000	1/12/2020	12.25%	89,850,877.00	72,647,211.00
UTC	AATT	129,121,531.50	7/12/2001	7/12/2021	9.80%	62,905,361.50	56,283,744.50
FCB	AATT	193,000,000.00		31/1/2020		96,500,000.05	83,633,333.00
RBC	AATT	U.S.\$23,443,550	16/7/2007	28/9/2017	Fixed at 5yr U.S.\$ Treasuries plus 140bps	75,482,370.11	60,578,133.20
AMB	AATT	U.S.\$45,300,00	22/4/2009	22/4/2019	5.85%	196,903,811.25	168,266,850.00
CITI	PATT	340,400,000.00	30/9/2004	30/9/2019	11.50%	154,660,229.76	131,442,758.62
CITI	PATT	U.S.\$66,500,000	8/3/2007	8/10/2016	Fixed at 10yr U.S.\$ Treasuries plus 125bps	192,702,037.50	150,356,500.00
RBC	PATT	71,515,000.00	31/3/2009	31/3/2019	Yield of the Central Bank 3yr notes plus a spread of 10 bps, subject to a floor of 8.23%	46,484,750.00	39,333,250.00
RBL	PTSC	\$75,300,000	18/5/1995	18/11/2013	3.50%	5,306,063.00	0.00
FCMB	PTSC	66,000,000.00	30/4/2007	30/4/2012	375%	0.00	0.00
CITI	PTSC	130.10	23/12/1994	23/12/2019	4.00%	32,327,370.15	28,017,054.31
FCB	PTSC	93,645,285.79	17/5/1995	1/6/2020	5.95%	49,944,152.37	43,701,133.37
IADB	UWI	145,070,042.33	7/4/1992	7/4/2017	3.00%	53,061,621.67	47,907,489.20
US AID	UWI	24,483,555.00	27/4/1976	27/4/2017	3.00%	5,636,256.09	5,125,900.18
EDF	UWI	15,056,474.13	15/12/93	15/7/2031	1.00%	9,804,494.57	10,080,122.73
FCBTAM	WASA	55,000,000.00	15/12/1990	15/12/2015	1.00%	11,645,270.00	0.00
FINCOR	WASA	99,695,097.00	18/5/1993	18/11/2013	3.50%	5,538,625.00	0.00
RBC	WASA	354,782,658.00	28/9/1998	25/9/2018	11.50%	354,782,657.81	354,782,657.81
RBL	WASA	403,364,940.00	7/10/1999	7/10/2019	YEAR 1-10 11.45% YEAR 11-12 12.00%	302,523,705.00	262,187,211.00
RBL	WASA	461,663,500.00	21/11/2001	21/11/2021	11.50%	292,386,360.00	261,608,698.00
CITI	WASA	471,641,641.00	3/2/2003	27/6/2013	6.75%	94,328,328.20	
RBL	WASA	296,974,125.00	31/12/2003	9/6/2015	6.10%	90,466,660.00	
CITI	WASA	153,606,557.00	13/5/2004	6/10/2019	5.85%	76,803,278.28	71,317,329.83
RBL	WASA	500,000,000.00	20/12/2004	16/8/2024	6.175%	312,500,000.00	287,500,000.00
CBTT	WASA	432,220,000.00	10/10/2005	10/8/2020	6.35%	432,220,000.00	432,220,000.00
CBTT	WASA	360,000,000.00	20/6/2006	20/5/2016	7.50%	144,000,000.00	144,888,750.00
CBTT	WASA	300,000,000.00	2/6/2009	2/6/2014	6.30%	300,000,000.00	300,000,000.00
FCB	WASA	377,994,000.00	28/1/2005	28/9/2017	5.875%	144,888,750.00	113,050,000.00
RBCT	WASA	1,335,900,000.00	25/3/2011	25/3/2031	6.95%	1,335,900,000.00	1,335,900,000.00
RBL	WASA	420,000,000.00	13/8/2010	13/8/2014	7.75%	400,109,294.51	125,700,000.00
RMB	T&TEC	714,292,720.00	29/3/2001	29/3/2021	12.25%	357,146,359.99	315,129,141.17
HSBC	T&TEC	478,800,000.00	25/7/2008	25/7/2022	4.25%	400,434,765.73	359,424,326.21
CBTT	HDC	306,000,000.00	24/8/2005	24/8/2019	7%	306,000,000.00	306,000,000.00
CBTT	HDC	600,000,000.00	12/12/2005	24/8/2020	7.75%	600,000,000.00	600,000,000.00

CBTT	HDC	475,000,000.00	13/12/2005	24/10/2021	8.5%	475,000,000.00	475,000,000.00
CBTT	HDC	700,000,000.00	19/9/2008	19/9/2023	8.7%	700,000,000.00	700,000,000.00
CBTT	HDC	500,000,000.00	17/2/2009	17/2/2024	8.25%	500,000,000.00	500,000,000.00

*Source: Ministry of Finance and the Economy*

### Bolts and Leases

<u>Lender</u>	<u>Borrower</u>	<u>Amount</u> <i>(TT dollars, unless otherwise indicated)</i>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding At September 30</u>	
						<u>2012</u>	<u>2013</u>
NIPDEC	GORTT	31,200,000.00	1/6/1997	30/5/2012	11.00%	0.00	0.00
RBL	GORTT	19,417,648.00	26/6/1998	26/6/2018	11.80%	10,742,330.22	9,423,539.68
RBL	GORTT	21,771,582.00	26/6/1998	26/6/2018	11.80%	12,044,585.59	10,565,922.66
RBL	GORTT	233,957,872.00	28/7/2003	28/7/2023	11.80%	155,102,271.98	139,133,200.58
RBL	GORTT	118,000,000.00	18/7/2002	18/9/2013	8.00%	21,566,591.37	0.00
RBL	GORTT	56,639,952.00	4/10/1997	4/10/2027	3.20%	44,631,074.57	47,002,415.54
RBL	GORTT	69,299,596.00	30/6/2001	30/6/2022	8.00%	56,476,872.91	51,984,341.58
RBL	GORTT	369,503,450.00	1/5/2001	1/8/2016	12.25%	140,363,832.84	107,142,190.78
FCTMB	GORTT	73,059,015.00	1/4/2004	1/4/2016	7.04%	30,312,202.23	22,386,919.70

*Source: Ministry of Finance and the Economy*

### Internal Debt Securities

Name of Debt Securities	Interest Rate	Issue Date	Maturity Date	Outstanding Amount At September 30, 2013
				<i>(in millions of TT dollars)</i>
Treasury Bill 12-58	0.15%	13/09/2013	13/12/2013	200.0
Treasury Bill 11-73	0.94%	17/12/2012	17/12/2013	200.0
Debt Management Bill 1399	0.14%	18/09/2013	18/12/2013	50.0
Treasury Bill 12-25	0.30%	24/06/2013	23/12/2013	111.1
Treasury Bill 11-75	0.99%	28/12/2012	27/12/2013	135.0
Treasury Bill 12-62	0.15%	27/09/2013	27/12/2013	200.0
Treasury Bill 11-76	0.99%	03/01/2013	03/01/2014	360.1
Treasury Bill 11-79	1.04%	04/01/2013	03/01/2014	250.0
Treasury Bill 12-31	0.32%	08/07/2013	06/01/2014	75.0
Debt Management Bill 1392	0.21%	15/07/2013	13/01/2014	75.0
Treasury Bill 11-80	1.06%	16/01/2013	16/01/2014	169.0
Treasury Bill 11-83	1.09%	23/01/2013	23/01/2014	464.1
Treasury Bill 11-84	1.08%	24/01/2013	24/01/2014	320.0
Treasury Bill 11-85	1.04%	25/01/2013	24/01/2014	265.5
Treasury Bill 11-86	1.00%	31/01/2013	31/01/2014	250.0
Treasury Bill 11-87	0.94%	05/02/2013	05/02/2014	308.0
Treasury Bill 11-90	0.84%	15/02/2013	14/02/2014	587.0
Treasury Bill 11-91	0.70%	01/03/2013	28/02/2014	200.0
Treasury Bill 12-50	0.43%	03/09/2013	04/03/2014	200.0
Debt Management Bill 1397	0.22%	09/09/2013	10/03/2014	75.0
Treasury Bill 11-92	0.55%	11/03/2013	11/03/2014	225.0
Treasury Bill 11-94	0.42%	22/03/2013	21/03/2014	100.0
Treasury Bill 11-95	0.34%	28/03/2013	28/03/2014	160.0
Treasury Bill 12-63	0.30%	27/09/2013	28/03/2014	100.0
Treasury Bill 12-01	0.34%	03/05/2013	02/05/2014	200.0
Treasury Bill 12-05	0.39%	10/05/2013	09/05/2014	100.0
Treasury Bill 12-07	0.30%	13/05/2013	13/05/2014	100.0
Treasury Bill 12-11	0.35%	20/05/2013	20/05/2014	100.0
Treasury Bill 12-13	0.39%	24/05/2013	23/05/2014	100.0
Treasury Bill 12-15	0.41%	28/05/2013	28/05/2014	105.0
Treasury Bill 12-19	0.45%	14/06/2013	13/06/2014	100.0
Treasury Bill 12-22	0.46%	18/06/2013	18/06/2014	170.0
Treasury Bill 12-24	0.50%	21/06/2013	20/06/2014	201.1
Treasury Bill 12-27	0.50%	28/06/2013	27/06/2014	100.0
Treasury Bill 12-29	0.50%	04/07/2013	04/07/2014	300.0
Treasury Bill 12-32	0.52%	08/07/2013	08/07/2014	307.0
Treasury Bill 12-33	0.49%	11/07/2013	11/07/2014	152.0
Treasury Bill 12-35	0.49%	22/07/2013	22/07/2014	260.0
Treasury Bill 12-40	0.51%	05/08/2013	05/08/2014	150.0
Treasury Bill 12-42	0.50%	12/08/2013	12/08/2014	300.0
Treasury Bill 12-44	0.54%	21/08/2013	21/08/2014	100.0
Treasury Bill 12-46	0.59%	23/08/2013	22/08/2014	324.4
Treasury Bill 12-47	0.62%	29/08/2013	29/08/2014	121.0
Treasury Bill 12-48	0.63%	02/09/2013	02/09/2014	250.0
Treasury Bill 12-51	0.69%	03/09/2013	03/09/2014	300.7
Treasury Bill 12-52	0.70%	05/09/2013	05/09/2014	462.0
Treasury Bill 12-54	0.59%	09/09/2013	09/09/2014	200.0
Treasury Bill 12-57	0.60%	12/09/2013	12/09/2014	535.0
Treasury Bill 12-59	0.56%	13/09/2013	12/09/2014	385.0
Treasury Bill 12-60	0.47%	17/09/2013	17/09/2014	120.0
Treasury Bill 12-64	0.53%	27/09/2013	26/09/2014	354.1
Treasury Note 3-28	2.60%	14/04/2011	14/04/2014	315.0
Treasury Note 3-29	2.75%	09/05/2011	09/05/2014	200.0
Treasury Note 3-30	2.75%	16/05/2011	16/05/2014	151.0
Treasury Note 3-31	2.65%	27/06/2011	27/06/2014	115.0
Treasury Note 3-32	1.40%	02/09/2011	02/09/2014	405.0
Treasury Note 3-33	1.35%	03/10/2011	03/10/2014	183.0
Treasury Note 2-23	1.34%	21/12/2012	21/12/2014	100.0

Treasury Note 3-34	1.60%	27/07/2012	27/07/2015	333.3
Treasury Note 3-35	1.65%	17/09/2012	17/09/2015	132.5
Treasury Note 3-36	1.70%	10/01/2013	11/01/2016	250.0
Treasury Note 3-37	1.14%	13/03/2013	11/03/2016	172.8
Treasury Note 5-5	4.05%	02/05/2011	02/05/2016	75.0
Treasury Note 3-38	0.95%	10/06/2013	10/06/2016	267.0
Treasury Note 5-6	3.75%	24/06/2011	24/06/2016	650.0
Treasury Note 4-1	1.70%	01/02/2013	01/02/2017	110.0
Treasury Note 5-7	2.50%	31/05/2012	31/05/2017	500.0
Treasury Note 5-8	2.15%	24/08/2012	23/08/2017	345.0
Treasury Note 5-9	2.05%	03/09/2012	03/09/2017	260.0
Treasury Note 4-2	1.95%	03/09/2013	03/09/2017	52.5
Treasury Note 5-10	2.10%	10/01/2013	10/01/2018	383.0
Debt Management Bill 1391	0.13%	03/07/2013	02/10/2013	75.0
Treasury Note 11-47	1.07%	03/10/2012	03/10/2013	385.0
Treasury Note 11-50	1.12%	04/10/2012	04/10/2013	300.0
Treasury Note 12-30	0.12%	05/07/2013	04/10/2013	150.0
Treasury Note 12-53	0.06%	05/09/2013	04/10/2013	35.0
Treasury Note 11-52	1.09%	12/10/2012	11/10/2013	260.0
Treasury Note 11-98	0.27%	12/04/2013	11/10/2013	300.0
Treasury Note 12-56	0.08%	13/09/2013	14/10/2013	200.0
Treasury Note 11-54	1.06%	16/10/2012	16/10/2013	120.0
Treasury Note 11-99	0.27%	17/04/2013	16/10/2013	177.9
Debt Management Bill 1393	0.12%	17/07/2013	16/10/2013	75.0
Treasury Note 12-61	0.05%	23/09/2013	23/10/2013	250.0
Debt Management Bill 1394	0.14%	31/07/2013	30/10/2013	75.0
Debt Management Bill 1385	0.20%	06/05/2013	04/11/2013	100.0
Treasury Note 12-10	0.19%	15/05/2013	13/11/2013	100.0
Debt Management Bill 1395	0.15%	14/08/2013	13/11/2013	50.0
Treasury Note 11-63	1.02%	15/11/2012	15/11/2013	150.0
Treasury Note 11-65	1.02%	16/11/2012	15/11/2013	120.0
Debt Management Bill 1387	0.18%	20/05/2013	18/11/2013	75.0
Treasury Note 11-66	1.00%	27/11/2012	27/11/2013	210.0
Debt Management Bill 1396	0.14%	28/08/2013	27/11/2013	75.0
Treasury Note 12-49	0.15%	02/09/2013	02/12/2013	100.0
Treasury Note 11-69	0.95%	11/12/2012	11/12/2013	395.0
Debt Management Bill 1398	0.14%	11/09/2013	11/12/2013	75.0
Treasury Note 12-55	0.14%	11/09/2013	11/12/2013	170.0

Source: Central Bank

## Defined Terms for Appendix A

AATT	Airport Authority of Trinidad and Tobago
ANSA	ANSA Merchant Bank
ANZ	Australia and New Zealand Banking Group
BAT	British American Insurance Company (Trinidad) Limited
BLDESA	Banco Latinoamericano De Exportaciones SA
BNP	BNP Paribas
BNS	Bank of Nova Scotia
BWIA	British West Indian Railways
CAL	Caribbean Airlines Limited
CARONI	Caroni (1975) Limited
CBTT	Central Bank of Trinidad and Tobago
CDB	Caribbean Development Bank
CHINA	Export Import Bank of the Republic of China
CITI	Citibank N.A. Limited/Citibank Limited
CLICO	Colonial Life Insurance Company (Trinidad) Limited

DB	Deutsche Bank Limited
EIB	European Investment Bank
EFCL	Education Facilities company Limited
ETECK	Evolving Tecknologies Enterprises Development Limited
EXIM	Eximbank
FCB	First Citizens Bank Limited
FCIB	First Citizens Investment Bank
FCH	First Citizens Holdings
FCMB	First Citizens Merchant Bank Limited
FCTMB	First Citizens Trust and Merchant Bank
FINCOR	Republic Bank Finance and Merchant Bank
GORTT	Government of the Republic of Trinidad and Tobago
HDC	Housing Development Corporation
HSBC	Hong Kong Shanghai Banking Corporation Plc
IADB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IDBNY	Israel Discount Bank New York
MERC	Mercantile Bank of Trinidad and Tobago
MTS	National Maintenance Training and Security Company Limited
NCC	National Carnival Commission
NFM	National Flour Mills
NIB	National Insurance Board
NICT	National Information & Communication Technology Co Ltd
NIDCO	National Infrastructure Development Company
NIPDEC	National Insurance Property Development Company Limited
NHSL	National Helicopter Services Limited
PATT	Port Authority of Trinidad and Tobago
PRI	Private Investors
PTSC	Public Transportation Corporation
RBC	RBC Merchant Bank
RBL	Republic Bank Ltd.
RBTT	Royal Bank of Trinidad and Tobago
RHA	Regional Health Authority
SCOTIA	Scotiabank Trinidad and Tobago
SCTMB	Scotia Trust and Merchant Bank
TAURUS	TAURUS
TDC	Tourism Development Company Limited
TIDCO	Tourism and Industrial Development Company
TTMF	Trinidad and Tobago Mortgage Finance Company
UdeCOTT	Urban Development Company of Trinidad and Tobago
UTC	Trinidad and Tobago Unit Trust Corporation
UTT	University of Trinidad and Tobago
UWI	University of the West Indies
VMCOTT	Vehicle Maintenance Corporation of Trinidad and Tobago
WASA	Water and Sewage Authority of Trinidad and Tobago

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U.S.\$ 550,000,000

# The Republic of Trinidad and Tobago

4.375% Notes due 2024



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