

Sustainability Report 2008



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The Environmental Management System of Atlantic LNG Company of Trinidad and Tobago has
been certified to the ISO 14001 international standard.





About this Report

This is the first annual report by Atlantic LNG Company of Trinidad and Tobago on Sustainability. The previous four reports focused on corporate social responsibility. We have made several changes in our approach to reporting for 2008. First, we have changed the nature of this report from corporate social responsibility to sustainability to better reflect the way we embed social, economic and environmental responsibility into each aspect of the business. Second, we have reported this year against the guidelines and indicators of the American Petroleum Institute (API) in order to improve the comparability of disclosure to other companies in the oil and gas sector. The reader can find an index at the back of this report indicating where in the report we discuss each of the applicable indicators.

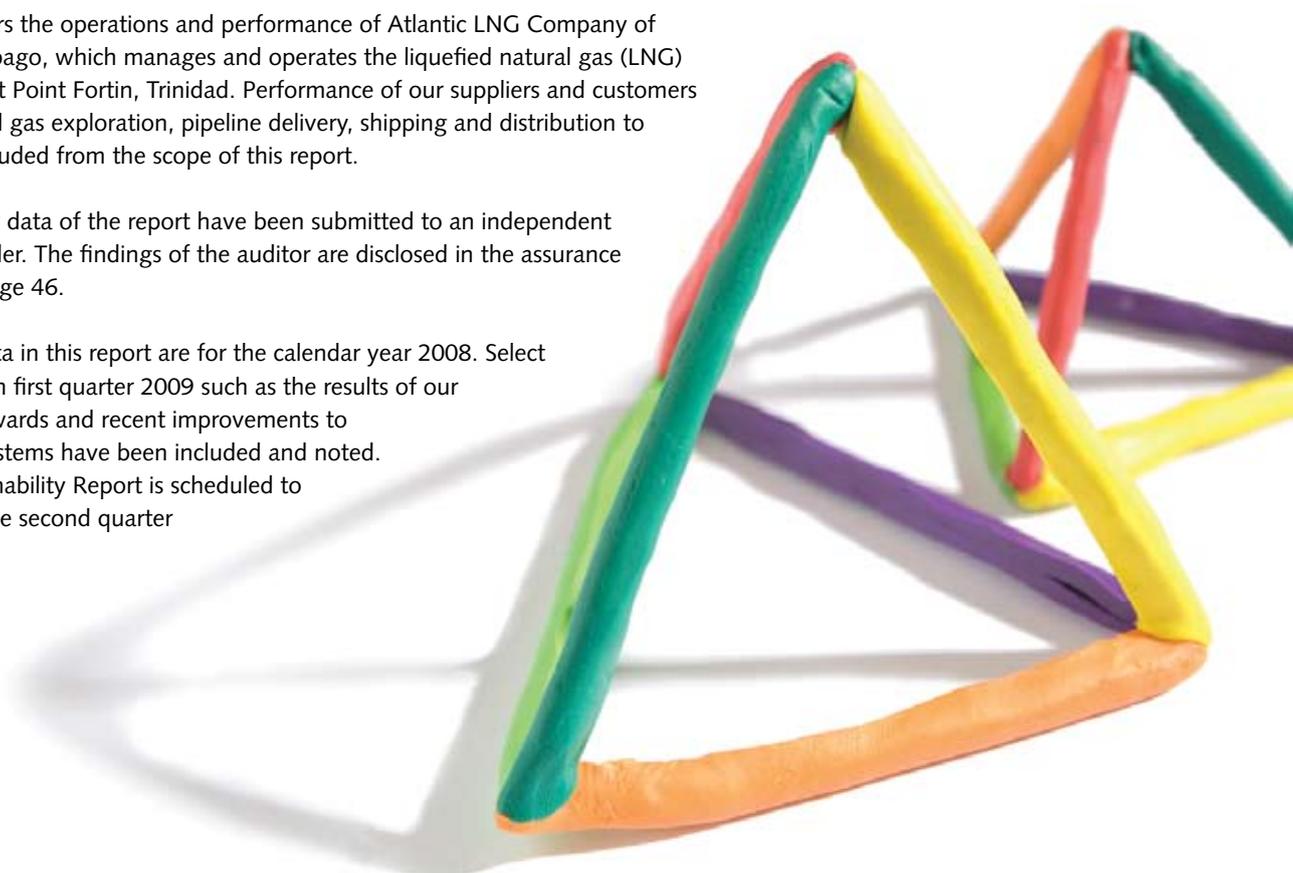
In addition, we have set out to provide a more systematic disclosure of our reporting this year against each of the three strategic aims of the company: Operational Excellence, Capability Growth and Sustainability. We have emphasized the systems and processes that Atlantic LNG has implemented, or plans to implement, to drive consistent improvement in all areas of performance. These systems and processes are in various stages of development and we have focused on an acknowledgement of where our strengths lie and where we see need for additional focus.

This report is for our internal and external stakeholders: Atlantic LNG employees, suppliers, customers, shareholders, community members, partners, government agencies and the international community. Given the wide range of interests and priorities of our stakeholders, we have committed to reporting against all three of the indicator categories within the API guidelines: economic, social and environmental.

This report covers the operations and performance of Atlantic LNG Company of Trinidad and Tobago, which manages and operates the liquefied natural gas (LNG) facility located at Point Fortin, Trinidad. Performance of our suppliers and customers including natural gas exploration, pipeline delivery, shipping and distribution to markets are excluded from the scope of this report.

The content and data of the report have been submitted to an independent assurance provider. The findings of the auditor are disclosed in the assurance statement on page 46.

Performance data in this report are for the calendar year 2008. Select information from first quarter 2009 such as the results of our Sustainability Awards and recent improvements to management systems have been included and noted. Our next Sustainability Report is scheduled to be released in the second quarter of 2010.





Chairman's Word

Atlantic LNG continues the aggressive pursuit of world class performance. Our 2008 progress is strong evidence of two things: firstly, that our destination is attainable; and secondly, that the journey itself requires a vision beyond the destination.

We believe that our success is going to depend on our understanding of sustainability –that way of doing business focused on building economic, social and environmental value for the present and the future.

Our greatest contribution is that our people work and live according to the principles of sustainability; and that practice comes to life in their homes, their communities, and our country.

Gordon Deane

Chairman

Contents

The Oil and Gas Sector in Trinidad and Tobago	6
CEO's Review	8
Company Profile	10
Key Performance Indicators	14
Sustainability	16
Governance and Compliance	
Stakeholder Engagement	
Community Investment	
Sustainable Supplier Relationships	
Operational Excellence	29
Safe Operations	
Environmentally Responsible Operations	
Efficient Operations	
Capability Growth	40
Working at Atlantic LNG	
Supporting Professional Development	
Atlantic LNG Employee Survey	
Assurance Statement	46
API/GRI Index Table	48

1

The Oil and Gas Sector in Trinidad and Tobago

An Opportunity to Create Stronger Communities

The oil and gas sector has a significant impact on the development of local communities and nations where oil and gas reserves are present. The focus has been on contributions to strong community development, including investment in the environment, in physical infrastructure (roads and utilities for example), transparent economic dealings with host governments, improving health care, fostering local cultural development (sports, cultural awareness), developing local supply chains and investment in skills and talent (education, leadership and technical skills). Despite this awareness, there is much progress still to be achieved including improved education, health services and infrastructure.

Trinidad and Tobago is ranked 'high' on the UNDP Human Development Index (HDI), being placed 57 out of 179 countries¹. The energy sector is the main engine of growth which is attributed to the performance of oil and gas exploration and also makes possible the availability of funds to finance the achievement of the Millennium Development Goals. In spite of its strong economic base, Trinidad and Tobago continues to be challenged with how to maintain favorable prospects for growth, job creation and poverty reduction in the face of exogenous factors such as a possible downturn in energy process.

In 2008, real GDP growth was projected to slow to 3.5 percent, down from 5.5 percent in 2007 after some 13 years of consecutive expansion. The slowdown is attributable to a decline in oil production from maturing oilfields and relatively stagnant output from the petrochemical sub-sector.²

A Finite Horizon for Natural Gas

Fossil fuels are, by nature, a finite resource. Petroleum reserves globally are expected to peak and decline over the next 30 to 50 years³. In comparison, the Ryder-Scott Report⁴ commissioned by the Government of Trinidad and Tobago estimates that, without any additional discoveries and at current rates of production, the natural gas reserves of Trinidad and Tobago will be exhausted by 2025 (16 years). Even with historic replacement rates from the last several years, Trinidad and Tobago is reducing its proven reserves by over 1 trillion cubic feet (tcf) of natural gas each year. This gives a conservative estimate of 30 years to deplete the proven and probable reserves of natural gas. The oil and natural gas sector contributes as much as 80% of Trinidad and Tobago's foreign revenue, so it is incumbent on the government and companies in this sector to recognize the limits of the resource. There is a slowly increasing awareness that not only must the country look beyond oil and gas to develop a long-term sustainable economy, but also that oil and gas companies are a cornerstone for investment into this new economy.

THERE IS A SLOWLY INCREASING AWARENESS THAT NOT ONLY MUST THE COUNTRY LOOK BEYOND OIL AND GAS TO DEVELOP A LONG-TERM SUSTAINABLE ECONOMY, BUT ALSO THAT OIL AND GAS COMPANIES ARE A CORNERSTONE FOR INVESTMENT INTO THIS NEW ECONOMY.

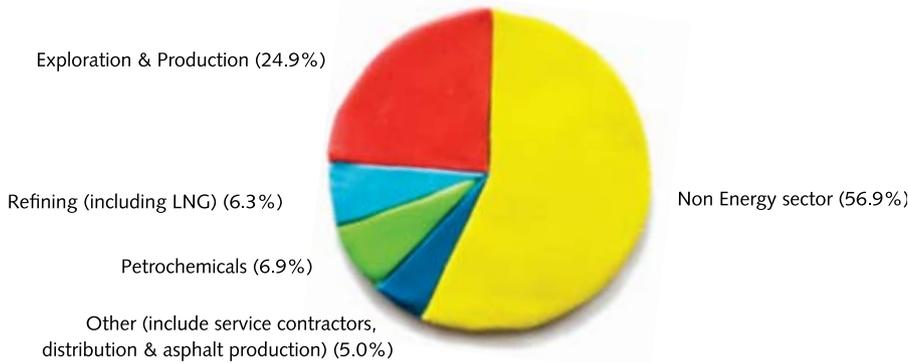
¹ UNDP Human Development Statistical Update, December 18, 2008

² Central Bank of Trinidad and Tobago, Monetary Report October 2008

³ United States Department of Energy, Energy Information Administration, "International Energy Annual 2006" (June - July 2008)

⁴ Ryder Scott (2007). Ryder Scott Hydrocarbon Audit, Trinidad and Tobago.

Energy Sector Contribution to GDP 2007



Source: Annual Economic Survey. Central Bank of Trinidad & Tobago

Natural Gas Reserves (Trillion Cubic Feet)				
	2004	2005	2007	2008
Proved	18.80	18.77	17.05	16.99
Probable	8.60	9.03	7.76	7.88
Possible	5.89	7.07	6.23	5.89
TOTALS	33.29	34.87	31.04	30.77

In addition, exploration gas resources identified point to reserves of approximately 37.1 TCF

A Responsibility to Create No Harm

The oil and gas sector historically presents high risks of detrimental impacts to health, safety and the environment. As a result, some of the most significant advances in safety and environmental technologies and management techniques have been developed within the sector. Over the last several years, the emphasis of management has been on safety – safety of personnel during work procedures, safety of the communities near facilities, and process safety. As a result there has been an unprecedented cooperation between companies and governments to improve safety performance and how we measure occupational health and safety. Crucially, there has also been a continued emphasis on environmental protection in the sector, from preventing spills during handling and transport to reducing greenhouse gas emissions from operations and product usage.



2

CEO's Review

In the ten years since Trinidad and Tobago began producing liquefied natural gas, a remarkable story continues to be told in the town of Point Fortin, home of Atlantic LNG. The story is how a billion dollar global-class process plant facility, constructed in record time and with record alignment to budget, continues to maximize its contribution to its home town and home country.

The contribution of Atlantic LNG is more than mere dollars and cents and more than being the largest employer in Point Fortin. More importantly, our contribution is in the hearts and minds of our people, and their engagement with ideas about how future generations of citizens of Trinidad and Tobago can benefit from our company's stewardship of the finite resource of natural gas. The story of Atlantic LNG is the story of our people, and the story of how sustainability – a very important strategic aim of our company – continues to be built into our operations and into our people's thinking, and by extension into Point Fortin and Trinidad and Tobago.

There have been bumps in the road to achieving these aims. An operation of this scale has inevitable impacts on our community and the environment. Heavy industry, if improperly managed can be dangerous to both employees and neighbours. But throughout our history and activities, Atlantic LNG has strived towards the highest standard of safety, protection and interaction.

The pages of this report outline our progress to date and it is our wish that this publication, our story's most recent installment, builds national and international confidence that Atlantic LNG is in its own way helping to ensure a bright future for this unique two-island nation.

Three strategic aims underpin our Being the Best vision – Operational Excellence, Capability Growth and Sustainability. The progress in these areas after only one year of our new direction speaks volumes about the commitment of talented employees and their endorsement of what we want to accomplish.

Operational Excellence

2008 was the best year of production for Atlantic LNG. Production volumes exceeded targets and the fourth quarter's performance set an industry record for a four train facility. The facility also clocked 3.5 million hours without a lost time incident (LTI), a safety performance that demonstrated our entrenched commitment to best practice in the area of HSSE. We will continue to emphasize the safety of all our operations.

Capability Growth

We believe development of our people is critical to maintain industry leadership in an increasingly competitive and challenging environment. Our company's ability to adapt to this dynamic context lies in our people and in how well we are able to foster their innovativeness and creativity and enhance their industry acumen. In 2008, a number of leadership development initiatives were implemented, including succession plans in preparation for the next wave of emergent management.

Work was also undertaken in the development of the Competency Management Assurance System (CMAS) and Competency Development Tool (CDT), which since then have been implemented in phases throughout the company. The web-based CDT gives employees who are not technicians, control over the speed and direction of their career development and provides a structured avenue for employee learning and development. CMAS is intended for Operations and Maintenance technicians and is a formal assessment approach requiring trained CMAS Assessors who assess employees' performance against the newly developed Atlantic LNG discipline standards. The system is designed for consistency and fairness, and is buttressed by internal audits.

Sustainability

Since 2007, our growing engagement with Sustainability has caused us to view this strategic aim as the bedrock of every aspect of our operations and the true cornerstone to our Being the Best strategy. Quite simply, we cannot assume industry leadership without regard for generations to come who are depending on us to maximize and sustain the value that the finite resource of natural gas can provide to the present and the future.

This requires an increased external focus, building partnerships with stakeholders in our home community of Point Fortin and also at the national level in order to help create programmes that foster sustainable development.

A key initiative introduced in 2008 was the CEO's Sustainability Awards. This annual internal competition invites employees to submit solutions and projects aimed at making our company, our home community and Trinidad and Tobago more sustainable. The inaugural effort was promoted in the company throughout 2008 and was well supported.

After an evaluation by independent judges and on-line voting by employees, fifteen finalist teams were selected in five categories– Community, Education, Technology, Safety and Environment. The overall winning project was the Trinidad and Tobago National Vocational Qualification (TTNVQ) Certification. This project was implemented to recognize Atlantic LNG as a training centre by the National Training Authority (NTA), so that participants in our Operator Trainee Programme can receive a national qualification that makes them employable at any company requiring that skill type in Trinidad and Tobago.

Going forward

Our progress in 2008 has given us good momentum in our new strategic direction. We look forward to maintaining this momentum and direction in the years to come.

Oscar Prieto
CEO



Company profile

Atlantic LNG Company of Trinidad and Tobago is one of the world's largest producers of Liquefied Natural Gas (LNG). We are a four-train natural gas liquefaction facility located at Point Fortin in Trinidad. Each train is owned by a group of private investors in its own holding company. Atlantic LNG Company of Trinidad and Tobago operates and manages the four trains on behalf of the train holding companies.

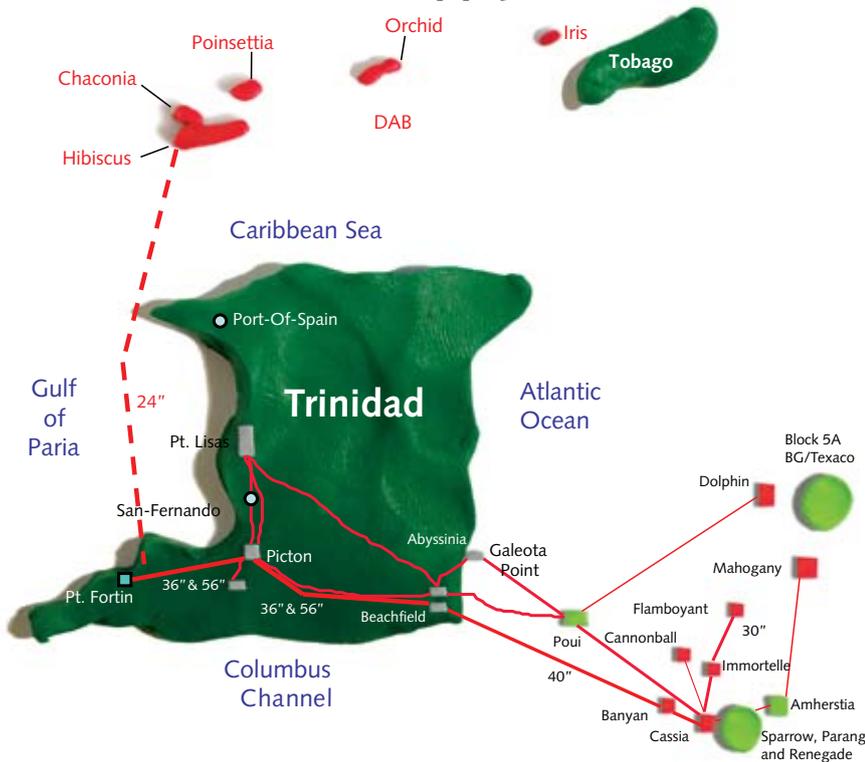
Combined, the four trains that we operate and manage are capable of producing up to 100,000 cubic metres of LNG per day. This is enough energy to power the entire US for 1.4 months¹. From our first ship load on May 1, 1999 through to the end of 2008, we have loaded over 130 billion cubic metres of natural gas into 1560 ships.

We receive natural gas from offshore fields north and east of Trinidad owned and operated by our shareholders. The natural gas is supplied through shareholders' pipelines, then processed and liquefied in one of the four processing lines, or 'trains', at our facility. In each train, we undertake a series of processes to remove impurities

such as dust, water, hydrogen sulfide and carbon dioxide, and then condense the natural gas to a liquid state. Natural gas is primarily composed of methane and the liquefaction process involves cooling the natural gas to approximately -161°C. Once complete, we load the LNG on to specialized LNG carrier ships owned and operated by independent transport companies.

Our role in the global energy economy is significant. LNG is currently the only economical way to move natural gas from key production areas like the Atlantic Basin to importing countries and regions such as Europe and the United States. Trinidad and Tobago is the seventh largest LNG exporter in the world and Atlantic LNG is responsible for processing approximately half of Trinidad and Tobago's natural gas production. Although product from Atlantic LNG is exported around the world, the United States is the main buyer and we processed 75%² of the total natural gas imported into the United States in 2008.

Gas Supply

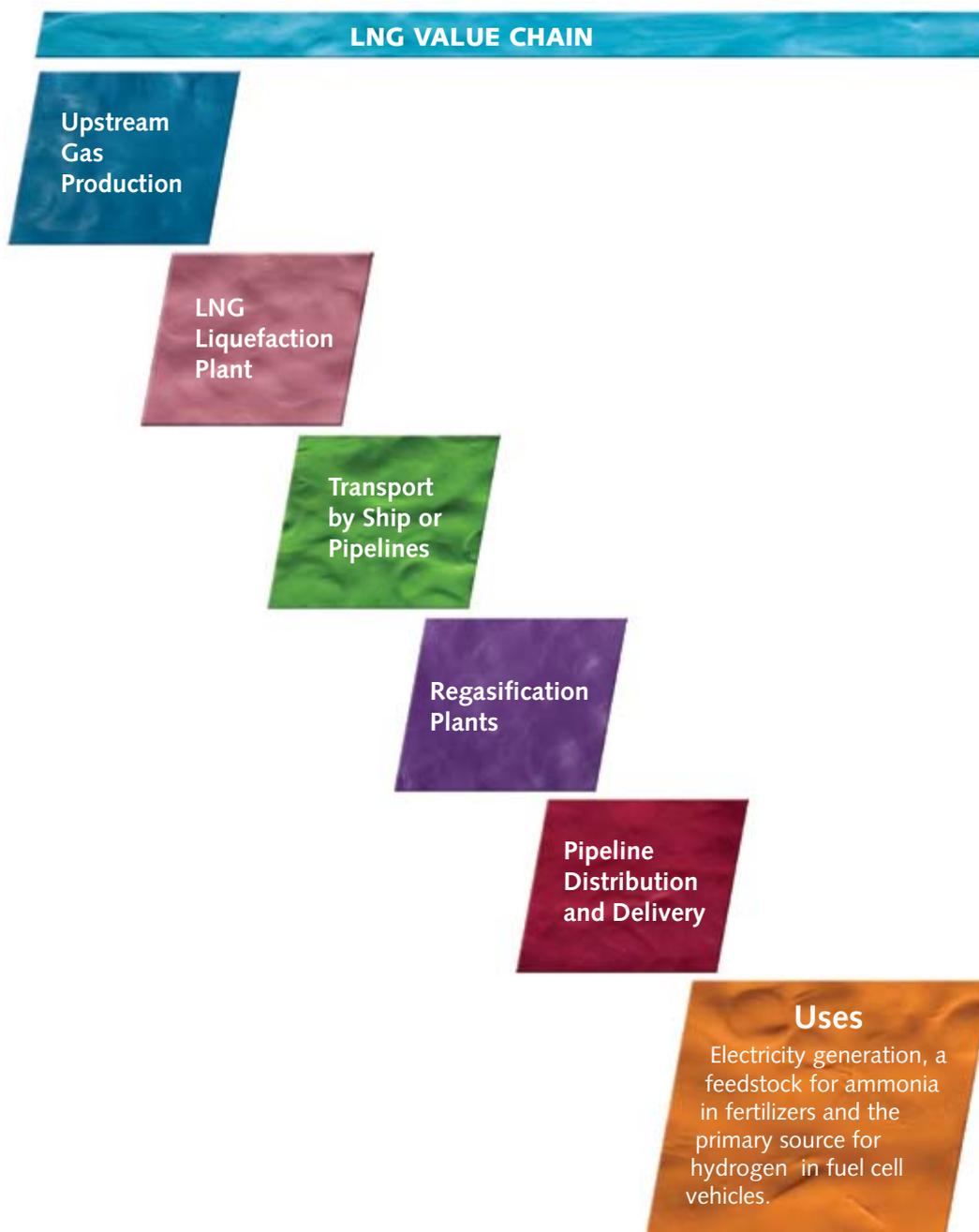


Natural Gas: Clean Fuel

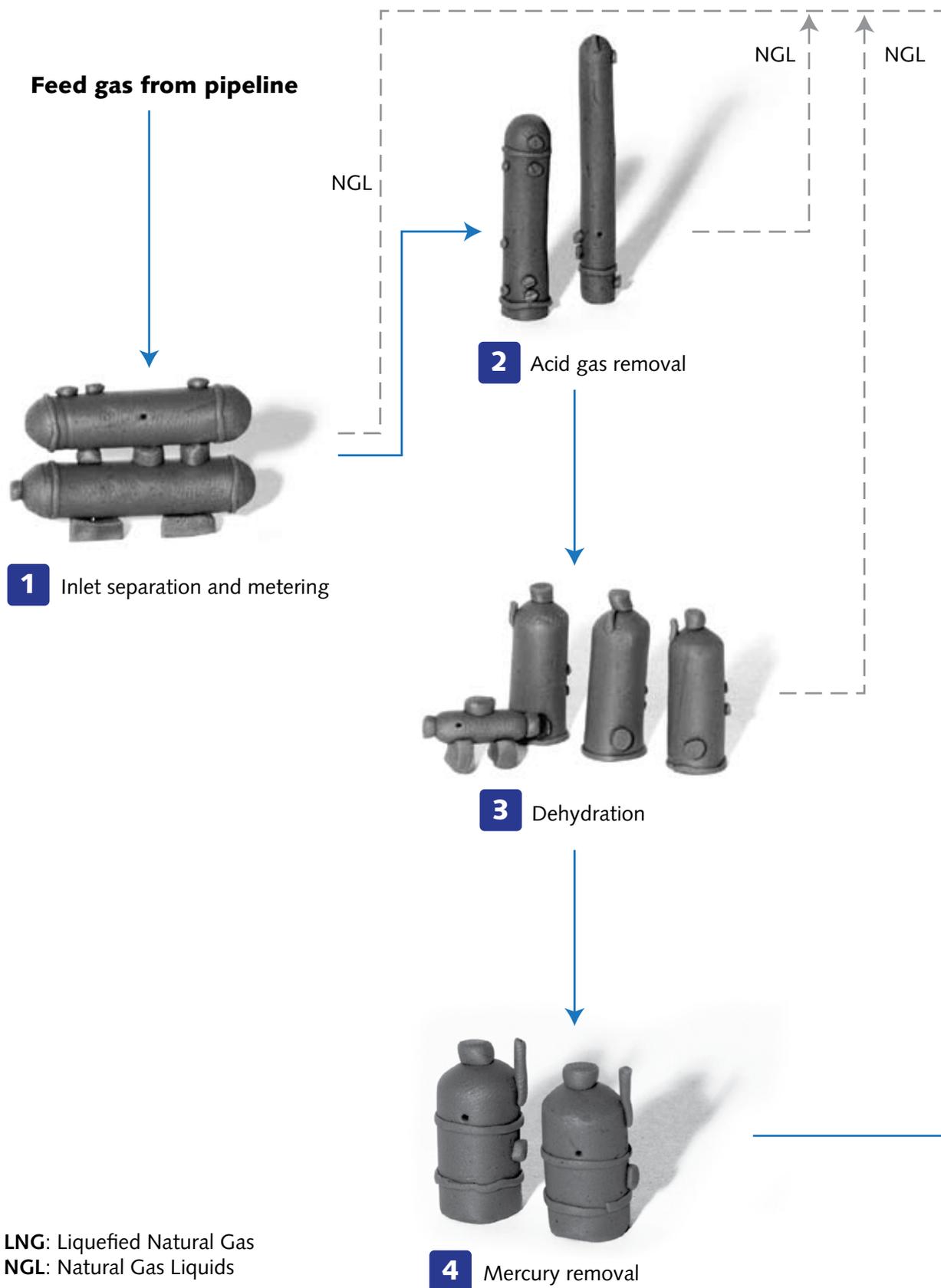
Natural gas has the lowest carbon dioxide emissions per unit of energy of all of the fossil fuels. For an equivalent amount of heat, burning natural gas produces about 30% less carbon dioxide than burning petroleum and about 45% less than burning

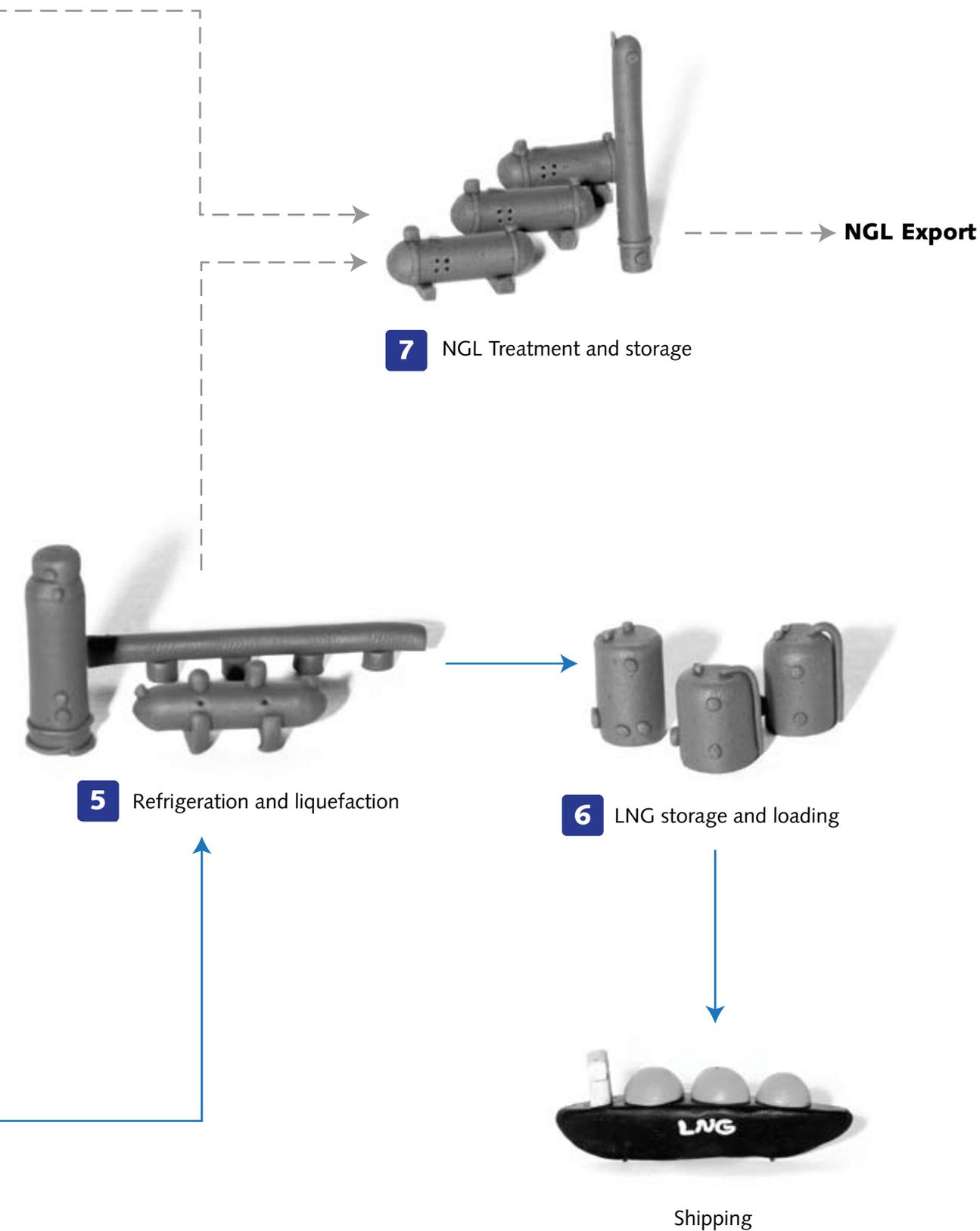
¹ US Central Intelligence Agency http://www.nationmaster.com/graph/ene_ele_con-energy-electricity-consumption
² http://tonto.eia.doe.gov/dnav/ng/ng_move_imp_c_s1_a.htm

coal. Even factoring in the energy required for liquefaction, transport and re-heating, natural gas still performs as well or better than alternatives such as coal and fuel oil in terms of carbon efficiency. Moreover, natural gas is a clean-burning fuel, with fewer by-product emissions than petroleum and diesel. As a result, natural gas has grown as an alternative automobile fuel, particularly in urban areas where local air quality is an issue. Natural gas is also an important fuel for electricity generation, a feedstock for ammonia in fertilizers and the primary source for hydrogen that is being used in fuel cell vehicle technologies.



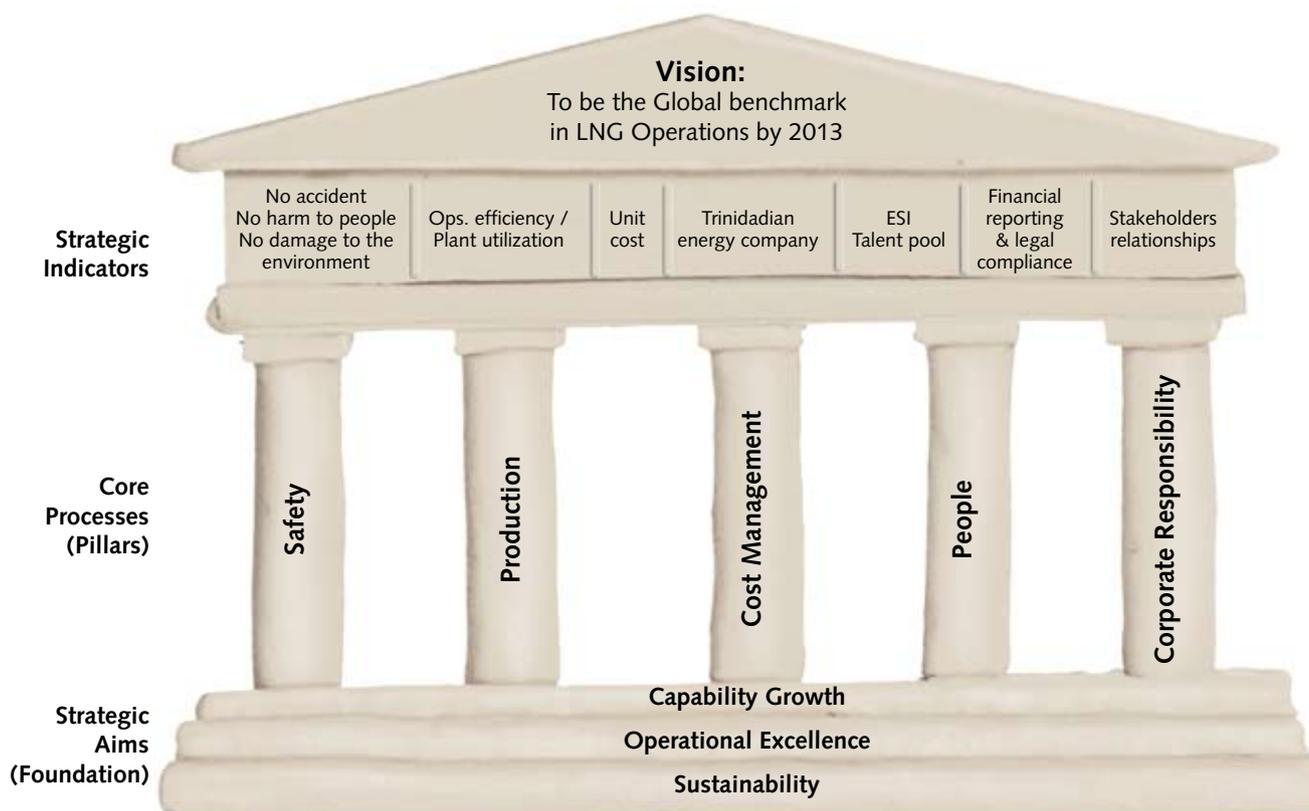
The LNG Production Process





4

Key Performance Indicators



At Atlantic LNG, we have adopted a vision that defines the objectives and business approach that we aspire to every day. We understand that the vision of a responsible company must address the economic performance of the company, the health and well-being of our employees and the livelihoods and quality of life for our community and country.

Our Vision and this Report are structured around our three Strategic Aims:

- **Sustainability**

Sustainability carries two meanings in Atlantic LNG. First, sustainability is one of our three Strategic Aims. As a Strategic Aim, the term Sustainability specifically refers to the goals and actions of Atlantic LNG to manage our compliance, impacts to the environment, stakeholder relationships, community relationships, ethical behaviour, communications, procurement and audit practices. These topics are discussed in the Sustainability chapter of this Report.

Sustainability also refers to our commitment to embed ethical and transparent behaviour into all aspects of our business in an effort to create long-term value to our company and our stakeholders. This commitment to sustainable actions therefore impacts all three of our Strategic Aims.

• Operational Excellence

Operational Excellence refers to the business activities of our company and commits us to operate in a cost effective and efficient manner while creating no harm to our employees, communities or environment. The Operational Excellence Chapter of this Report therefore describes our management and performance in personal safety, process safety, emergency response, security, environmental protection and cost efficiency.



• Capability Growth

Capability Growth refers to our employees and how Atlantic LNG works to develop and reward employees to ensure that we are considered to be an employer of choice. The Capability Growth Chapter of this report details our employee policies and management procedures for compensation, personal development and working conditions.

Within each of these three Strategic Aims, we describe the systems and processes that we are embedding into the company. We understand that becoming a sustainable company is a journey and not a destination. While many of our systems are well established in Atlantic LNG, some are relatively new and just taking root in the company. Therefore, this Report highlights our progress and challenges as well as our successes.

We have set for ourselves an ambitious goal: to be the global benchmark in LNG operations by the year 2013. We realize that Atlantic LNG cannot reach this goal alone. We cannot create sustainable communities in isolation and we cannot be a leader without the help of others. Therefore, we expect our employees, shareholders, communities, customers, governments and other stakeholders to hold us accountable to our commitments.

Strategic Aim	Performance Aspect	Key Performance Indicators			
		Metric	2008 Performance	2008 Target	2009 Target
Sustainability	Stakeholder Engagement	Ethos Score	4.87* Benchmark: 9.09		6.55* Benchmark: 8.8
Operational Excellence	Safety	OSHA Recordable Accident Rate	0.29	0.30	0.3
	Environment	Greenhouse Gas Emissions (CO ₂ equivalent TTBTU)	6.528	6.5	5.85
	Cost Management	Cost Efficiency (USD/MMBTU)	\$0.22	\$0.22	\$0.23
	Production	Total Production (TBTU)	775.1	769.87	779.0
	Employee Satisfaction	Employee Satisfaction Survey Score	54%	56%	57%
Capability Growth	Talent Pool	Employee Turnover Rate	3%	4%	4%

* The Ethos Self-Assessment exercises were carried out in 2007 and 2009. Benchmark data is collected from about a thousand companies operating in Latin America.

Sustainability

Governance and Compliance

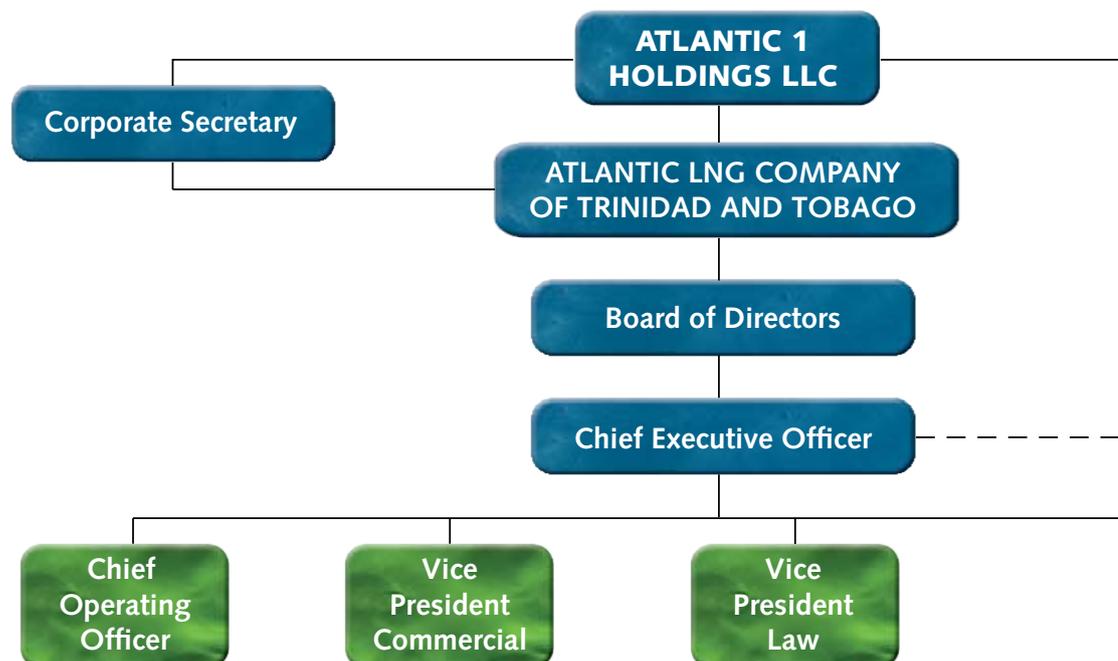
Atlantic LNG manages and operates the four LNG trains situated at the Trinidad facilities in Point Fortin. The Leadership Team, led by the CEO, reports on performance and operational matters to the Board of Directors.

Board of Directors

The Board of Directors comprises the Chairman, Gordon Deane, and the Chief Executive Officer, Oscar Prieto, with alternates Vice President, Finance and Administration, Moonilal Lalchan and the Chief Operating Officer, Jean Andre Celestain.

Atlantic LNG is a private company and is not traded on any public exchanges. The company remains current with all requisite regulatory filings under the Trinidad and Tobago Companies Act, with respect to, among other things, its directors and ownership structure. In addition, Atlantic LNG has voluntarily undertaken an assessment of its corporate governance structure and control mechanisms against key aspects of the U.S. Sarbanes-Oxley reporting requirements. These aspects are integrated into the Atlantic LNG Code of Ethics.

Together, our affiliates represent leaders in sustainability in the oil and gas sector. Three of our affiliated companies have signed on to the Extractives Industry



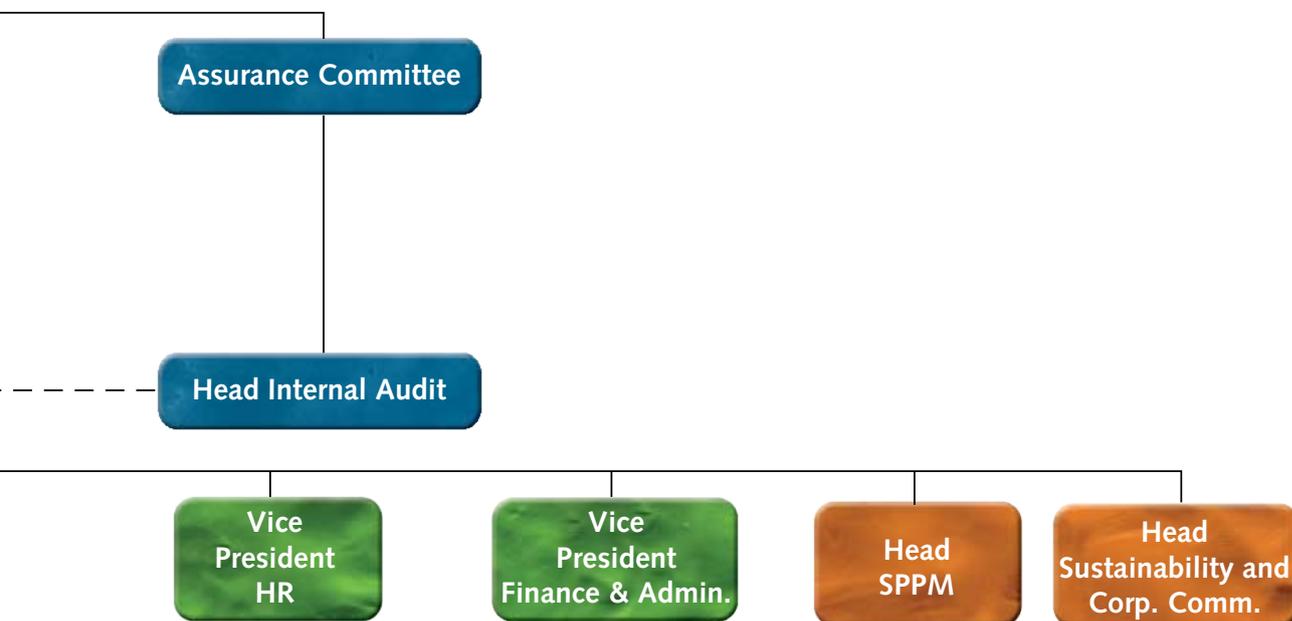
Transparency Initiative (see EITI website: eitransparency.org), and four have committed to the United Nations Global Compact. In 2008, representatives of affiliates conducted one Joint Shareholder Audit of the Operations Management System and one audit of the integrity of the Cross-Island Pipeline (CIP - brings gas from the East Coast of Trinidad to Point Fortin. See map on page 8).

Leadership Team

The principles of sustainability are central to the success of our business and are the responsibility of the CEO. The CEO is ultimately responsible for achieving all the Strategic Aims. He is also responsible for embedding the principles of sustainability into the business and to communicating initiatives, risks and opportunities associated with sustainability to the Board of Directors. The CEO is supported by senior managers within each of our core process pillars. These managers include the directors and vice presidents from each business unit including health, safety, environment, security, sustainability, communications, human resources, law, finance, operations, procurement, commercial, internal audit and others. The CEO leads a review of performance in each of these areas monthly with the Leadership Team.

A Systematic Approach

We are dedicated to continuous improvement in each of our Strategic Aims. Atlantic LNG has adopted a governance approach based on corporate policies that shape responsible behaviour. These policies are implemented through the various management systems of the company.

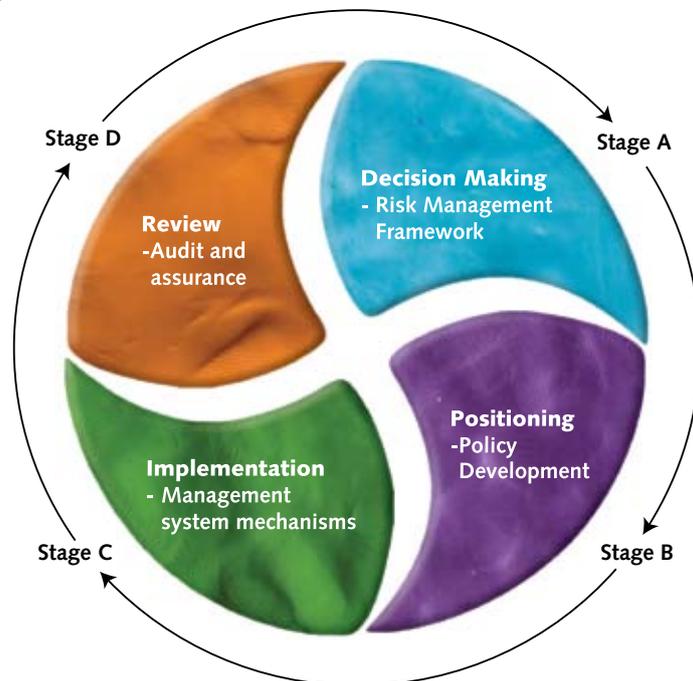


Legend:
 HR: Human Resources
 SPPM: Strategic Planning and Performance Management

We use information derived from our stakeholders and the evaluation of our own performance within our management systems to drive improvement. A key aspect of our continuous improvement cycle is our Risk Management Framework. This is a formal system of evaluation used by senior management in every department to assess risks for the company against a consistent and systematic set of criteria: safety, people, reputation, economic value and production value. These criteria reflect our Core Processes. Although the process is termed 'risk management', it is also designed to allow for the identification of opportunities that can benefit the company and its stakeholders.

Key identified issues are evaluated by the Leadership Team and escalated to the Board of Directors for consideration and information.

The risk framework is supported and checked by our internal audit department on an ongoing basis.



Code of Ethics

Principle among our company policies is the Code of Ethics. The Code of Ethics commits Atlantic LNG to adhere to regulatory and legal compliance and to a set of business principles for responsible behaviour. The Code of Ethics includes commitments to a fair and harassment free workplace, health and safety, environmental protection, issues around conflicts of interest and gifts, appropriate supplier relationships as well as requirements to prevent money laundering, protect privacy and comply with competition and anti-trust laws. To help us enforce the Code of Ethics, we have implemented a company-wide gift registry and a declaration of conflict of interest that must be completed by all employees involved in purchasing or supplier relations.

We have also created 'Speak Out', a mechanism to raise ethical concerns that is open to all employees. Concerns raised through Speak Out are brought directly to the attention of Internal Audit and the company's legal team for investigation.

Operational Policies

The Code of Ethics is supported by a series of operational policies within Atlantic LNG. We have formalized and rolled out policies regarding health and safety, environmental protection, fair treatment of employees, elimination of harassment in the workplace and employee confidentiality.

Management Systems

The Atlantic LNG policies are implemented and enforced through a variety of management systems which we benchmark against best available practices from the oil and gas sector. We describe our key management systems within the relevant sections of this Report.

The Leadership Team meets weekly to discuss key issues and opportunities within the company's five core process pillars. The monthly agenda is structured to focus on one of the following areas each week: HSE, People and Reputation, Performance, and Governance.

Corporate Planning & Corporate Performance Management

The corporate planning function in Atlantic is used to establish goals for the ensuing five year period and to establish annual targets for the ensuing financial year based on the company's corporate strategy. The process is driven by a Benchmarking initiative that compares the company's performance with that of peers in LNG production, and identifies gaps in key performance areas. Initiatives are developed to close such gaps and corporate targets determined based on execution of these initiatives.

The annual Corporate Performance Contract (CPC) is a summary of the company's main targets and objectives for the relevant fiscal year. Each month, an update is developed to show actual performance relative to the annual corporate targets. Appropriate interventions are introduced and tracked. The Update is also issued to shareholders as part of the monthly reporting requirements.

The focus on Performance is also driven by the use of individual Performance Contracts (PC). A PC is established for each employee at the start of the calendar year and forms the basis for periodic performance review conversations and rewards. Additionally, the objectives established on the PC is cascaded from the CPC and so ensures that each employee has a line of sight to and alignment with the objectives established on the CPC.

Sustainability Committee

We have also established a Sustainability Committee that includes the CEO, Board Chairman, and Vice Presidents from Law, Finance and Operations. The Sustainability Committee is chaired by the Head of Sustainability and Corporate Communications for the company and meets quarterly. The Committee meets to review and approve Sustainability initiatives.



Internal Audit

The risk framework and continuous improvement processes are supported by our Internal Audit Department. The Head of Internal Audit attends meetings of the Leadership Team. Internal Audit also collects and validates a Letter of Assurance Certification from each Senior Manager. This letter is a signed attestation that there are sufficient internal controls in place to evaluate and manage the risks appropriate to that manager's area of responsibility.

Each year, the Internal Audit Department generates an audit schedule based on the outputs of the Quarterly Risk Matrices. Based on the audit findings, Internal Audit makes recommendations against which Atlantic LNG managers must respond. In 2008 Internal Audit checks included health and safety management systems, financial accountability of community investments and controls on corporate ethical compliance.

Stakeholder Engagement

Why We Engage

Stakeholder engagement has come to mean many things to different people including communication, dialogue and partnership. For Atlantic LNG, our perception of engagement includes the means by which we interact with our stakeholders, but it also includes the manner in which we listen and use feedback from our stakeholders to make better decisions as a company. We believe that our stakeholders have a right to understand the activities of the company and to be heard by the company. We also believe that our stakeholders have the right to see how their opinions, concerns and ideas have influenced the way we run our business.

At Atlantic LNG, we understand that we must address tough challenges in sustainability. Protecting the environment, generating economic benefit and supporting sustainable communities are aspirations that require input, knowledge and commitment from a wide variety of people and organisations. As such, we know that our ability to engage with our stakeholders is fundamental to our ability to deliver on these aspirations. Whether it is training for employees or support for education in the community to create tomorrow's leaders, we invest in the mechanisms that drive effective dialogue, create effective partnerships and foster effective decisions.

How We Engage

We acknowledge that we are not perfect in our aspirations. We believe that there are stakeholders in our community, country and internationally that we have not yet identified or with whom we do not yet have an effective way to hear their concerns and ideas. Therefore, we have made it our challenge to assess and improve the processes within Atlantic LNG to ensure that we meet, engage and respond to each of our stakeholders. Our vision of effective stakeholder engagement is a systematic approach that organizes feedback from all of our stakeholders into a form that we can use when deciding the actions of the company.

How We Respond

In 2007, and again in 2009, we undertook a comprehensive assessment of our stakeholder engagement process. We adopted a two pronged approach: firstly, for engagement with internal stakeholders, we used the Ethos Indicators Assessment

How we Engaged in 2008

- Customer Satisfaction Survey
- Buyers meeting

Key ideas and concerns

- Health and safety
- Contract administration and scheduling



How we Engaged in 2008

- Regular meetings with regulatory bodies
- Regular facilitation of plant visits for government officials and state visitors

Key ideas and concerns

- Community infrastructure and facilities
- Sustainable community and local business development
- Community health and education
- Tax revenue
- Regulatory compliance
- Related business opportunities



How we Engaged in 2008

- Membership in business associations
- Sponsorships
- Participation in Energy Conferences
- Annual corporate responsibility report and company literature

Key ideas and concerns

- Partnership building and economic support
- Environmental and community performance
- Cooperation among partners in energy



How we Engaged in 2008

- Community surveys
- Audits of community investments
- Community development initiatives (regionally and nationally)
- Community Council
- Stakeholder feedback sessions on 2007 CSR Report
- Assessment of Resettlement process
- Community newsletter



How we Engaged in 2008

- Board meetings
- Shareholder audits
- Shareholder Communications Forum
- Board Sub-Committee meetings

Key ideas and concerns

- Production
- Cost management
- Creation of value for Trinidad and Tobago
- Legal and contractual Compliance
- Reputation
- Governance
- Safety of People, Process and Assets
- People Development



Key ideas and concerns

- Resettlement of buffer zone residents
- Trustworthiness of the company
- Local and National Community development in education and sports
- Noise and flare reduction
- Support for local employment opportunities and businesses
- Emergency Response



How we Engaged in 2008

- Tendering process and procurement standards
- Supplier training on health, safety, environment, Code of Ethics and Sustainability

Key ideas and concerns

- Small and local business development
- Health and safety
- On-time payment
- Fair and transparent contracting procedures
- Long term relationships and communication
- Consistent training and appraisal practices
- Community initiatives



How we Engaged in 2008

- Employee Satisfaction Survey
- Training sessions
- Ethics hotline
- Personal development plans
- Staff events
- Townhall events
- Intranet
- Internal newsletter
- Staff Communication via email
- Personal Performance Contract

Key ideas and concerns

- Personal Development
- Health and Safety
- Salary and benefits
- Participation in company and community projects
- Job security
- Performance

(see description later in this Chapter) and secondly, we commissioned a series of independent interviews of our external stakeholders. These engagements allowed us to identify key areas of mutual concern from which we developed long-term action plans to build on these opportunities. The latest assessment was undertaken in 2009 to measure the success of the efforts we undertook in 2007 and 2008.

The most significant issues of our stakeholders are assessed and evaluated through our company-wide risk management system. The variety of other issues, concerns, ideas and opportunities that are brought to us by our stakeholders are managed at various points within the company. We have made great strides in bringing the decision-making point (such as the appropriate manager or community officer) closer to the people who have concerns and ideas. We believe this is the most efficient and effective means to make progress.

However, we also appreciate the need to make our assessment of materiality more systematic within the company as well as the need to apply more consistent criteria to our decision-making that more strongly integrate social and environmental performance. Our intention is to use the feedback from our stakeholders to develop these criteria. The result will be a tool for us to compare and prioritize issues allowing more focused communication, engagement, investment and management.

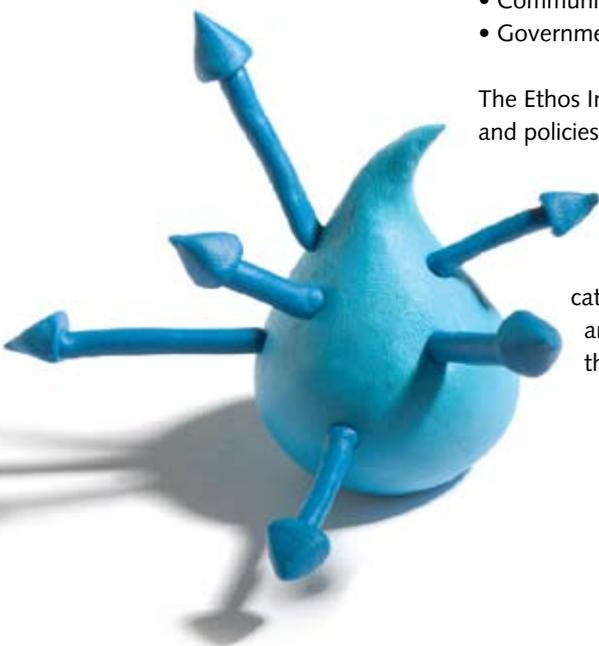
The Ethos Indicators

Another key responsibility of the Sustainability Team is to monitor the performance of our sustainability management and impact. We undertake an assessment of our performance by engaging with our internal stakeholders and measuring the feedback against the Ethos Indicators, a set of evaluation criteria in seven categories designed by the Instituto Ethos:

- Values and Transparency
- Workforce
- Suppliers
- Environment
- Consumers and Clients
- Community
- Government and Society

The Ethos Indicators measure the effectiveness of our management structures and policies, the responsiveness of the company to stakeholder concerns, and the effectiveness of our stakeholder engagement to identify and discuss material issues.

Based on the assessment process we are scored against each of the seven categories. Our scores are compared against a benchmark group of our peers and competitors. This allows us to set internal targets and action plans for the following year.



Areas for Ethos Assessment

Aspect	Improvement	2007 Score	2009 Score
Values and Transparency	+0.99	5.60	6.59
Workforce	+2.16	4.02	6.21
Environment	+0.64	6.03	6.67
Suppliers	+2.71	2.60	5.31
Consumers and Customers	+2.21	3.97	6.18
Community	+3.04	5.04	8.08
Government and Society	-	6.81	6.81
Overall Performance	+1.68	4.87	6.55

Note: Ethos Self-Assessments were conducted in 2007 and 2009.

The overall score from the 2009 assessment (measuring 2007 and 2008 performance) is a marked improvement from the score of 2007. The primary areas of improvement were Consumers and Customers, Community, Suppliers and Workforce. This improvement was a result of focused initiatives that addressed stakeholder concerns such as, a Customer Satisfaction Survey, which allowed us to identify areas for development; a suite of community programmes in sport and education; supplier seminars to engender sustainability practices and the creation of new policies and benefits for employees (e.g. Non-harassment policies, Day Care Centres, Employee Shuttle Services).

Although there was a marked improvement, we continue to struggle with the area of Suppliers. To address these shortcomings, we will:

- Engage with our suppliers quarterly on sustainability issues
- Include sustainability criteria in pre-qualification and performance evaluation of our suppliers
- Include sustainability criteria in our contracts with suppliers
- Look for opportunities to partner with our suppliers on sustainability programmes and training
- Identify development opportunities for local suppliers

2008 CEO's Sustainability Awards

Our employees are not only an important stakeholder for the company, but are also fundamentally important in delivering the sustainable change and performance that we envision. To highlight the achievements of our employees in developing innovative and effective sustainability improvements, we undertook the first CEO's Sustainability Awards in 2008. Invitations were sent out to all of the employees of the company to submit examples of initiatives and programs that demonstrated a sustainable improvement in one of five areas; Safety, Environment, Community, Technology / Innovation and Education. Thirty-eight (38) entries were submitted and a winner was announced in each of the categories in the first quarter of 2009. We have highlighted the award winners in the relevant sections of this report to demonstrate some of the good work that has been undertaken by the Atlantic LNG team.





Community Investment

We intend that our investments into our community create a lasting impact. It is not sufficient to donate funds without a vision for the future of the community. A simple test of our success is: if Atlantic LNG did not exist tomorrow, would our community continue to thrive and prosper?

The first step in achieving this vision of a sustainable community is a strategic approach to philanthropy. Our criteria for evaluating community investment opportunities are based on the principle that donations of funds, time and materials are merely the first step in creating a sustainable community. Our first priority in community investment is that our efforts must create the structures and knowledge for a long-term benefit to the people that live and work in Point Fortin and Trinidad and Tobago. For Atlantic LNG, long-term benefit entails skills, knowledge and leadership of people. Much of our community investment is therefore focused on education and training. Our vision is to provide the tools for the next generation of entrepreneurs, community leaders and role models. We embody this through initiatives such as the Trinidad and Tobago National Vocational Qualification (TTNVQ) and Point Fortin's Finest.

A sustainable community encompasses the infrastructure needed for a stable economy. To prosper, communities and businesses need physical infrastructure, health care, access to information, financial structures and education facilities. While the implementation is the responsibility of government, Atlantic LNG believes that we can be a sponsor and participant to assist our community. We embody this partner role through initiatives such as the Point Fortin Community Swimming Pool and recreational facilities at Guapo Beach in Point Fortin.

Integrating Community Development

Embedding our vision of sustainability into both business practice and community investment requires a systematic approach to how we evaluate, choose, manage and monitor the initiatives that we support. It also requires that the Sustainability Team within Atlantic LNG is empowered to influence the decision making of the company.

Our sustainability management process is led by the Head of Sustainability and Corporate Communications. That position is responsible for two important aspects. First, the Head is responsible for management and performance of our community investment strategy. Second, the Head is responsible for coordinating with the rest of the business to embed the principles of corporate responsibility into the decision-making processes throughout Atlantic LNG. To do this, the Head is a member of the company's Leadership Team and reports directly to the CEO. Specific risks and opportunities are raised by the Head to the Leadership Team if they require action at a company level. The Head also chairs the Sustainability Committee, whose members are the CEO, Chairman of the Board and Vice Presidents of Law, Finance and Production Optimization to review and approve the company's sustainability initiatives. This is also an opportunity for the Head to embed sustainability concepts and practices into other departments within the company.

The Atlantic LNG Sustainability Team is responsible for ensuring that our community investment initiatives match our vision for a sustainable community. One of the mechanisms to manage community investment is the Donations Committee. The activities of this committee are governed by documented guidelines for donations

which prioritize projects with benefits for health, education and social development. The Sustainability Team is also responsible for collecting community feedback and integrating this feedback into the community management and communication actions.

Resettlement Progress

In 2002, the Board of Atlantic LNG took a decision to establish a buffer zone around the LNG facility. The Buffer Zone creates a transition space between what is an industrial area and the nearest line of residents. Internationally acceptable safety and risk standards would not have suggested any residential re-locations but Atlantic LNG recognized that it needed to address quality of life concerns for residents who live close to what for many years was a construction site and is now a major industrial facility. " (Atlantic LNG 2005 Corporate Social Responsibility Report)

(By Quarter 1, 2009, all but four households had been relocated to Southern Gardens and we now have an agreed plan for the remaining households.)

In July 2008, Atlantic LNG commissioned an independent assessment of our resettlement process. The assessment was completed by Robert Barclay who contributed to the International Finance Corporation Handbook for Preparing a Resettlement Action Plan.

Based on the recommendations, we decided to partner with Habitat for Humanity Trinidad and Tobago, the local affiliate of the international Christian non-profit organisation whose mandate is "to eliminate poverty housing and homelessness from the world and to make decent shelter a matter of conscience and action." We have partnered with Habitat for Humanity to help us in the second phase of the resettlement – community building. Specific goals of the partnership will be to:

- Assist in the transfer of deeds to the individual householders;
- Survey the need for capacity building, life skills training and community investment programmes in Southern Gardens and suggest actions to address these needs.

Supporting Today's Community, Developing Tomorrow's Leaders

Servol Adolescent Development Programme

In 2007, we engaged in a partnership with Servol Limited (a faith-based NGO) to provide valuable life and social skills training to the youth in and around the community of Point Fortin based on feedback from community members and a survey conducted by the University of the West Indies. The Servol Adolescent Development Programme (ADP) provides training for 16-19 year old youths. This three and a half month program involves the development of academic and social aptitude related to social responsibility, self awareness and spirituality, as well as English, Math, Health Education and other subject areas.

The Point Fortin Life Centre opened in January 2008 with 12 trainees



undertaking the Adolescent Development Program (ADP). In 2008, 48 students have graduated from the ADP and have moved on to various skill areas such as Instrumentation, Computer Science, Catering, Welding and Compressor Mechanics. In 2009, The Point Fortin Life Centre planned to offer skill training in Beauty Culture and Computer Literacy.

To support the programme, we provide facilities, seed funding for skills programmes and volunteer time from several Atlantic LNG employees as guest speakers. Atlantic LNG employees also participate in the governance of the Life Centre with members of the Point Fortin community through the local Board of the Point Fortin Life Centre.

Point Fortin's Finest

To create successful leaders for tomorrow's community, we believe it is important to establish strong educational building blocks and opportunities for employment. These concepts led us to develop the Point Fortin's Finest programme in 2000. The programme provides an annual financial grant to the top ten Point Fortin students based on the Secondary Entrance Assessment examination; and a two week summer camp designed to develop their skills in team-building, management of peer pressure, public speaking, and career planning. We have also developed the World of Work Initiative in which we offer 'on the job training' for the Undergraduate and Upper Six Students enrolled in the programme. Financial support is provided to all of the students throughout their secondary education including two years in the sixth form. These students have a 100% pass rate on the CXC (Caribbean Examination Council) examinations. We have also provided grants to support tertiary education.

We now have 94 students participating in the programme and have graduated four participants at university level. A recent success story is that of Kristoff Rambert, who enrolled in the maritime programme at the University of Trinidad and Tobago and interned on an LNG vessel. This student is an example of Sustainability in practice.

Graduate Trainees in the Community

Atlantic LNG recruits recent university graduates to participate in a two year internship programme within the company. In 2008, as their project of choice, the Graduate Trainees organized an Educational and Career Guidance Fair to inspire and guide the youths of Point Fortin and environs seeking practical information and tools to chart their careers.

The Career Fair was held in September 2008 and approximately 300 students from five secondary schools in the area attended. Feedback from the community indicated that the Career Fair was very well received and appreciated, and will undoubtedly benefit both students and Atlantic LNG. The Graduate Trainees also enjoyed the experience and there are plans in place to repeat this project in coming years.



Summary Of Contributions 2008

SUSTAINABILITY PROJECT OR PARTNERSHIP	Investment US\$
Adult Literacy Tutors Association: Teaching adults to read, nationally and in Point Fortin	10,740
Coalition Against Domestic Violence: Creating a network of volunteers across southwest Trinidad to help abused and neglected children	118,238
Community Achievers: Providing funding for community self-help projects in Point Fortin	11,904
Employee Resident Group: Providing funding for projects led by Employees resident in Point Fortin	11,904
Greening – Buffer zone and Seed Collection Project: Environmental project for 4H Clubs in St Patrick West (southwest peninsula)	34,556
Hydro-fit for the Elderly: Water aerobics for shut-in residents of homes for the elderly in the southwest	72,950
Music in the Point Fortin Primary Schools: Music tutorials for students of four primary schools in Point Fortin	18,476
National Energy Skills Centres: Tuition and certification in skills for young adults of Point Fortin	14,285
National Primary Schools Cricket League: Annual cricket competition for all primary schools in Trinidad and Tobago	34,920
Point Fortin Community Pool: Provision of pool management and swimming programmes through the YMCA	190,476
Point Fortin Corporation Borough Day activities: Support for the annual celebrations in Point Fortin	81,428
Point Fortin's Finest Bursaries and Vacation Camp: Scholarship funding and the annual camps for top ten SEA students graduating from Point Fortin primary schools	56,508
Servol – ADP and Skills programmes: Training and assessment for "at risk" school leavers: skills include computer literacy and beauty culture	166,193
Sport for Life: Education in life skills through sport, from a centre located at the iconic Queen's Park Oval cricket ground, for young persons in Port of Spain and environs	204,737
Turtle Village Trust: Building communities through turtle conservation and monitoring; and eco-tourism	177,282
United Way of TT: Funding to match employees contributions to national charities managed by United Way	52,876
UWI TeleHealth: Support for a videoconferencing facility that provides consultations with international medical facilities, for sick children	50,000
Trinidad & Tobago Olympic Committee: Developing healthy lifestyles through sport among Point Fortin children – lawn, tennis, gymnastics, swimming	58,825
University of Trinidad & Tobago: Pre University Programme (PF) to provide entry-level qualifications for tertiary education	69,546
West Indies Players Association: Healthy lifestyles through Cricket in the schools and community	273,680
TOTAL	1,709,524
Donations Committee & Policy: contributions to other individuals, groups or charities	90,000

Energy Sector Educational Conferences	
Project Name	US\$
Energy Conference, Tobago	10,000
GetEnergy Learning Arena: International Conference	15,800
AmCham Regional Business Conference	50,000
South Trinidad Chamber of Industry and Commerce	30,423
TOTAL	106,223

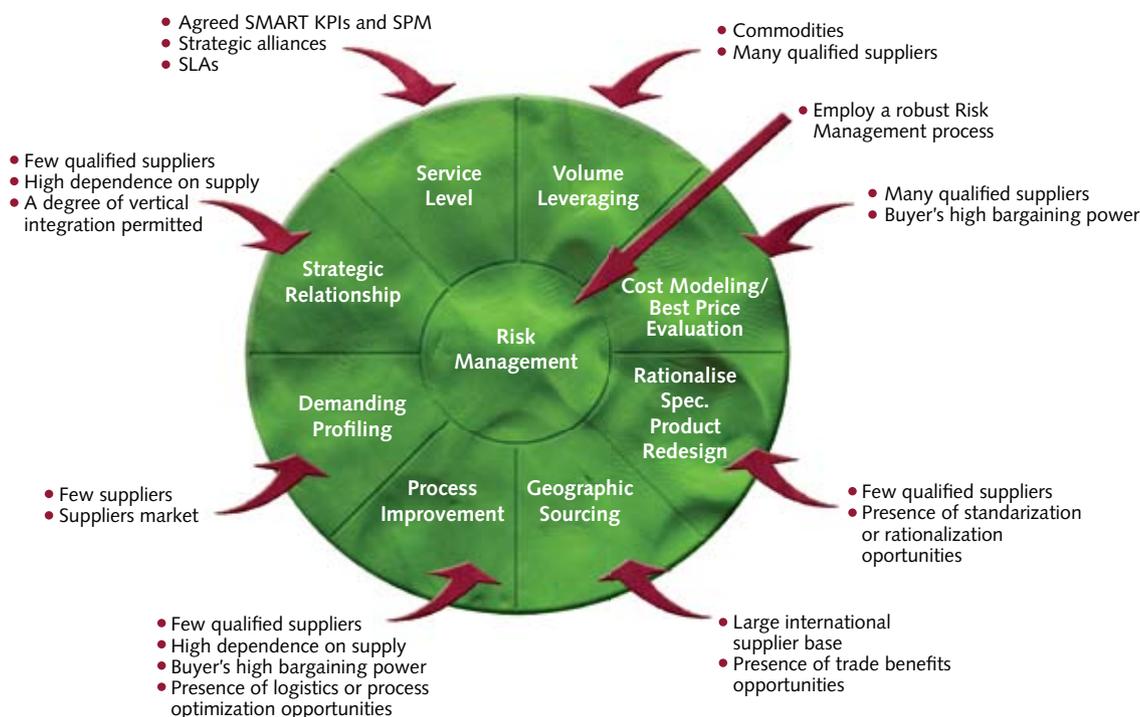
Sustainable Supplier Strategy

Our suppliers are an important part of our successful business as they provide critical parts and materials as well as skilled labour and advice. Our suppliers are a reflection of our own work. Therefore, it is essential that our suppliers hold the same values and skills that we expect from our own operations and employees.

At Atlantic LNG, we address responsible supplier relationships through our procurement standards, supplier training programmes and audit procedures. Our procurement standards stipulate minimum requirements for suppliers based on quality, safety and environmental controls. We also include all contractors that work at the Point Fortin facility in induction training and awareness meetings for health, safety, environment and security aspects. All of our suppliers can be audited by Atlantic LNG and we frequently include on-site contractors in our audits – particularly those undertaking hazardous work at the facility.

Creating strong local businesses is an important part of a sustainable community. To this end, we have agreed a process to develop small local suppliers through the creation of more robust business and quality management systems.

The chart below indicates some of the strategies we adopt to develop supplier relationships:



This level of partnership requires time and dedication. However, we anticipate a variety of benefits from a more developed local supply chain network including greater agility, stronger personal skill development and improved local economic infrastructure.

Operational excellence



Safe Operations

Since our incorporation in 1995 and our first shipment in 1999, the safety and health of our employees and community are a priority for Atlantic LNG. Although we have a history of safe operations, we recognize the need for constant improvement and vigilance.

Atlantic LNG has developed and implemented an integrated approach for responsible operations. Our expectations and requirements associated with the four components of Employee Safety and Health, Process Safety, Environmental Protection and Port Security are addressed within the elements of the Atlantic LNG HSSE Management System:

- Commitment, leadership, accountabilities and responsibilities
- Risk evaluation and management
- Facilities design and construction
- Operations and maintenance
- Management of change
- Legal and other requirements
- Community and external communications
- Training and behavioral skills
- Third party management
- Emergency management
- Incident analysis and prevention
- Assessment, assurance and improvement
- Information and documentation

HSSE Management System Components

Our approach to HSSE Management is founded on the knowledge that most accidents are preventable and occur as a result of 'At-Risk Behaviours'. The experience of the sector and role model companies in safety has shown that most accidents and incidents occur from inappropriate actions of individuals even when control procedures are in place. Therefore, we have built a management approach that focuses on two principles. First, we eliminate HSSE risks through a hierarchical approach that focuses on substitution and engineering controls for risky or hazardous processes. Only after these options have been exhausted do we rely on training, policy, procedures and personal protective equipment to prevent incidents.

HSSE Management System Hierarchy

The second principle of our approach to HSSE Management is employee participation. We have learned through our own and the experience of our peers that responsible behaviour and safe practices are followed most effectively when they are designed, developed and implemented by the employees themselves. To generate this level of integration, we have taken a value based approach to developing HSSE management mechanisms. Employees have designed the management system elements and identified the most significant risks in our operations. Additionally, employees are empowered to observe and comment on potentially unsafe behaviours in a constructive manner through our Safety Observation Checklists. We also use these checklists to record potential hazards and near miss situations.

HSSE is the first point of consideration for all activities within the company. This philosophy is embodied in the directive of the CEO: "We will do it safely, or we will not do it" and captured in each employee's performance contract.

**IN 2008, THERE WERE
OVER 1,800 IN-HOUSE
SAFETY MEETINGS**

For 2008, there were 12,700 proactive HSSE interventions

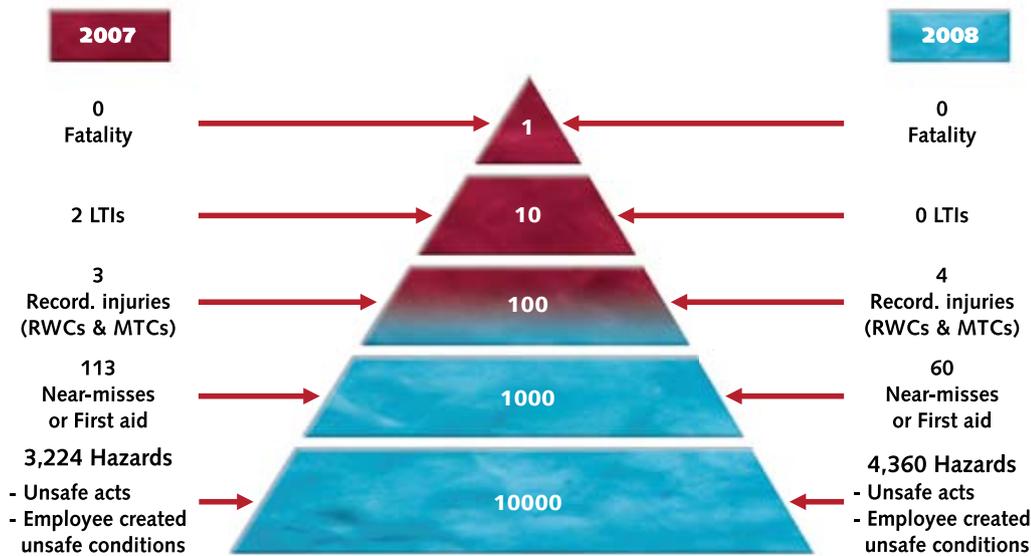
While our management of HSSE is embedded into the organization through the actions and decisions of our employees, it is monitored and led at the highest levels of the company. The Board of Directors approves our HSSE targets and reviews HSSE performance every month. We also submit our HSSE performance indicators to our shareholders every month for their review and recommendations.

Personal Safety

We assess our workforce health and safety performance using a variety of metrics. The core metric measures the number of OSHA Recordable incidents per 200,000 work hours. The definition of an OSHA Recordable Injury is strictly defined to include all work related deaths, illnesses, and injuries which result in a loss of consciousness, restriction of work or motion, permanent transfer to another job within the company, or that require some type of medical treatment other than first-aid treatment. Our 2008 OSHA Recordable Rate was 0.295. This is a significant improvement on our safety performance in 2007 (0.344).

Although the OSHA Recordable Rate is a good top level metric for assessing our overall Personal Safety performance, we also measure and record details for any lost time injuries, recordable incidents, injuries requiring first aid and near misses. We have recorded a drop in lost time injuries (LTI's) and near misses. We have also seen a substantial increase in the number of recorded hazards.

We attribute these results to improved vigilance by employees through participative safety programmes. We believe that our employees are observing and recording hazards more effectively before they result in a near miss or accident. We have also placed particular emphasis on vehicle safety. In 2008 we recorded eight vehicular accidents on-site and three off-site. Combined, our performance in 2008 indicates a strong trend toward zero accidents.



We are committed to continuous improvement. For every incident or hazardous situation, we conduct and document a full assessment of the root cause. These assessments include the cause, corrective actions, person responsible for actioning and a timeline to realize the corrective action. These assessments are shared with the Leadership Team and Internal Audit for additional follow-up as necessary.

Health

Atlantic LNG recognizes that a healthy environment and workforce are of paramount importance to the growth and productivity of the organisation. To this end, Atlantic LNG has employed a holistic approach for the management of health at its locations.

The holistic approach focuses on the following areas:

- Medicals/Fitness to Work
- Industrial Hygiene
- Occupational Health
- Wellness

The management of industrial hygiene concerns and issues from the operations is continual and 2008 saw a continuation of IH monitoring for both routine and plant turnaround activities. This provides an assurance that worker exposure issues are being identified and managed.

Our health plan for 2008 was developed using the results of a Health Risk Assessment (HRA) conducted in 2007. As the plan has just been rolled out in 2008, we do not yet have data to demonstrate the expected benefits to employee health.

In 2008 Atlantic LNG took a decision to implement the Fitness to Work Program. Fitness to Work (FTW) refers to an objective assessment of the physical, mental and psychological health of persons in relation to the requirements and working conditions of specific jobs. This ensures that the physical, mental and psychological state of persons is congruent to the demands of the specific job type. This program is being implemented in a phased approach to allow for a more sustainable process. A Framework governing the Fitness to Work program was developed.



At Atlantic LNG employee wellness is of key importance. The focus was on increased awareness of lifestyle health conditions and health issues of importance such as drug abuse, HIV and AIDS. The team also extended these awareness sessions to the Point Fortin Community by participating in community lectures and awareness sessions. We also provide the tools for our employees to realize their own health and well-being goals. Our employees have access to fitness facilities at both locations in Point Fortin and Port of Spain.

Process Safety

We are proud of our operational safety record to date. We had no fines, citations or incidents out of compliance in 2008. There is continued focus on the safety of people in our operational processes. With the support of our Shareholders, in 2007 Atlantic LNG conducted a Safety and Operations Integrity (S&OI) audit which gave us the opportunity to identify areas for improvement in both the HSE and Integrity Management systems. Out of the audit we put together an action plan which has driven the improvement to ensure that our operation is safe and reliable.

To prevent the occurrence of a major accident, Atlantic LNG requires a consistent approach to the process safety and that is being accomplished with the implementation of the Asset Integrity Management Standard. The intent of the Standard is to ensure a formal approach to the management of integrity of Atlantic LNG's operations throughout their lifecycle from design and construction, through operation and maintenance, to decommissioning.

Our focus during 2008 and continuing into 2009 has been the identification and assessment of the significant risks and major hazards within all of our industrial processes and the development of Risk Reduction Plans that cover:

- The adequate management of our mechanical and protective systems.
- The formal competency assessment of the Operations and Maintenance Technicians by the implementation of the Competency Management Assurance System (described in more detail in our Capability Growth Chapter).
- The continuous improvement of our management of change, emergency response, incident investigations and lessons learnt processes.
- The implementation / improvement of systems and tools for the proper management of the technical information related to operations, maintenance, inspection, engineering and HSE areas.

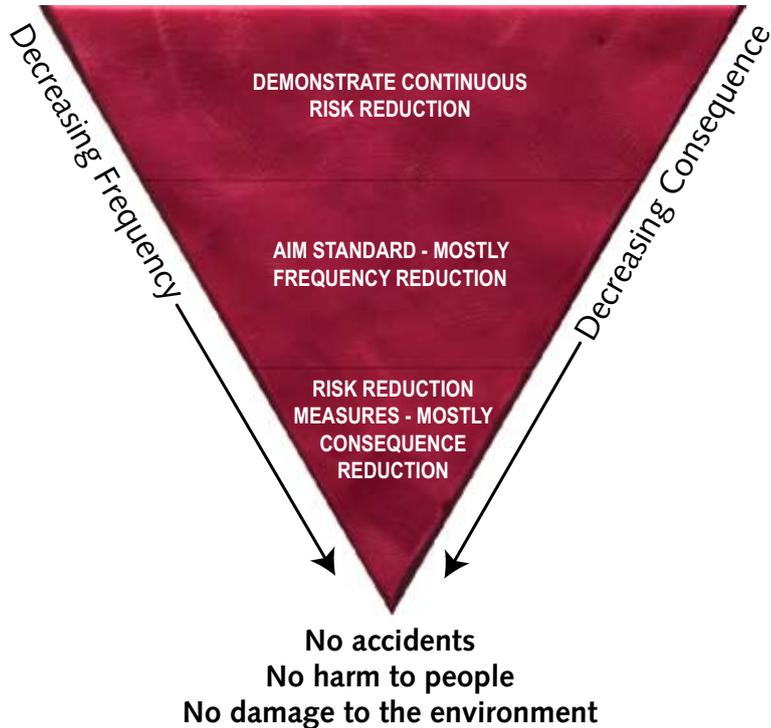
Actions are identified out of the Risk Reduction Plans and are assigned to one or more responsible person/s for closure. All actions are tracked using a software which measures implementation against the assigned timelines and criteria. We developed key performance indicators and scorecards for the proper performance management of those plans.

The Process Safety implementation is a good example of how we are embedding more systematic and robust methodologies within Atlantic LNG. Much of the knowledge and awareness that were integrated into the Integrity Management Systems have



always been present in Atlantic LNG, but not organized into a formal system that allows the organization to move through a continuous improvement cycle. This approach to Integrity Management is about continuously reducing risks.

Continuous Risk Reduction



Facility Flare Design Review

Winner: CEO's Sustainability Award for Safety

Flares are an important safety mechanism for the LNG plant and a malfunctioning flare can result in high gas pressures. Therefore, the operation and integrity of the flares is checked on a regular basis at Atlantic LNG. A common factor affecting flare performance in the industry is high frequency vibration. We therefore created a better method for detecting future issues with flares from vibrations.

By analyzing process and design documents for all of the flare components and classifying the type of vibration impacting the flare, we created a detailed, proactive screening programme for the flare equipment that will be integrated into our maintenance and checking procedures. This will allow us to detect flaws and predict approximate life span of the equipment. This screening programme is compliant with the American Petroleum Institute safety standards which are recognized as good practice by OSHA. The initial screening and model development are completed and should be fully integrated into our safety procedures in 2009.

Team: Anushka Goomasingh, Colin Alexis, Craig Farquhar, Imtiaz Esahack, Rajendra Ramlochan, Sulana Chunilal



Security

Access to our facilities is controlled through the use of state of the art equipment and skilled personnel. We have undertaken special security measures around the Port area in response to International Ship & Port Security Requirements (ISPS).

We have in place a Port Facility Security Plan (PFSP) that has been approved by the Designated Authority (Trinidad & Tobago Coast Guard), in accordance with international shipping codes. The Atlantic LNG PFSP includes several aspects including shipping documentation controls, customs and immigration controls, line handling procedures, safety inspections, pilot and tug procedures, coordination with neighboring operators and standards and controls for vetting of vessel safety.

Emergency Response

The Integrated Emergency Management Plan (IEMP) is based on regular risk assessment of operational hazards. Based on these assessments, we train employees and emergency responders on procedures such as fire fighting at the LNG plant, evacuation procedures and environmental spill containment procedures. We conduct periodic 'dry runs' with employees and emergency responders. We also coordinate with neighboring oil and gas operations and have implemented procedures for assistance and coordination of response in the event of an emergency. In particular, we coordinate with government representatives and emergency responders such as the fire services, hospital and police to review emergency response plans.

Atlantic LNG has a Community Awareness and Emergency Response (CAER) plan for the Point Fortin community. Our CAER plan was designed in reference to the responsible care guidelines of the chemical industry to safeguard employees and community members in the event of an accident that could impact on community health or the environment. We have established regular communication lines with the community including a hotline for community members to raise concerns.

Environmentally Responsible Operations

Our efforts to protect the environment around our operations are rooted in our Health, Safety and Environment Policy which is part of the Code of Ethics. This policy commits us to minimizing our environmental impacts through pollution prevention and environmental conservation. We have implemented the commitments of this policy through our Environmental Management System (EMS) which has been certified to the ISO 14001 international standard. As part of this certification, our EMS is audited annually by our Registrar and had a successful surveillance audit in 2008 with a single minor non-conformance for record-keeping found by the audit team. The nonconformance has been rectified.

Our EMS commits us to measuring, managing and improving our performance against key aspects. For Atlantic LNG, these aspects include greenhouse gas emissions and minimization of waste and spills. As part of the management system, we have implemented several control mechanisms to improve our performance:

- Key environmental performance metrics are reported monthly to the Atlantic LNG Leadership Team.



- Environmental targets for greenhouse gases and waste reduction based on the 2004 baseline. 2009 targets will be evaluated and agreed by the end of the calendar year.
- Safety training programme for employees and contractors includes our environmental aspects .
- All visitors to the Point Fortin facility undergo Induction Training which includes environmental responsibility, commitments and preventative measures.

Key Environmental Performance Indicator	2007	2008
Hazardous Waste Generated (tonnes)	1411	1,804
Non-Hazardous Waste Generated (tonnes)	6671	6,949
Reused, Recycled and Reclaimed Waste (tonnes)	256	93
Flared and Vented Gases (tonnes)	1,232	1,303
Greenhouse Gas Emissions (tonnes CO ₂ equivalents)	6.577	6.528
Hydrocarbon spills (barrel equivalents)	2.0	8.4
Other Spills and Accidental Releases (barrel equivalents)	0	7.0

Minimizing Waste to Landfill

Our operations produce a variety of waste products including oily liquids and residues, oil filters, chemicals and other solid wastes. We comply with all waste disposal requirements, including the appropriate landfilling of some wastes. However, landfill disposal is a growing concern among our stakeholders. Therefore, in response to feedback from our community, government and shareholders, we have committed to reducing the amount of waste that we send to landfill. Our first goal is to reduce the amount of materials that we use – an activity that is captured and managed through our cost minimization programme. Our second priority is to recycle or reuse waste materials. For waste materials that cannot be recycled, we will use incineration where appropriate or safe disposal in approved landfills.

In 2008, we generated slightly more than 8,846 tonnes of total waste. This increase is the result of a post construction site clean-up exercise. Of this total, we recycled almost 93 tonnes (slightly over 1%) of material including paper, electronics, glass, used oil, empty barrels, scrap metal, empty gas cylinders and batteries. Over 1,804 tonnes (over 20%) were sent for disposal by incineration or other means. As a result, we reduced the amount of waste sent to landfill to 6,949 tonnes in 2008. This represents 7.93 cubic yards of waste per TBTU of LNG produced, well below our target of 12.79 cubic yards per TTBTU.

Reducing Greenhouse Gas Emissions

The challenge of combating climate change while still delivering the energy necessary to fuel economic growth is at the forefront of global issues. The oil and gas sector plays an important role in this challenge. Atlantic LNG is not involved in the exploration and refining of petroleum, however we recognize we have a role to play in reducing greenhouse gases emitted from our own operations. Although we use some electricity for our buildings and offices, the vast majority of our energy use and greenhouse gas usage comes from the natural gas that we process.



At Atlantic LNG, there are two main processes that result in greenhouse gas emissions. First, we use natural gas to power our four trains. Second, we use flaring as an important safety procedure to vent excess natural gas and maintain operating pressures. Flaring is also an important environmental control as methane, the primary constituent of natural gas, is 21 times more powerful as a greenhouse gas than carbon dioxide (CO₂). For both energy use and flaring, our continuous efforts to drive more efficient operations and better performance are our main mechanisms to reduce our greenhouse gas emissions.

In 2008, we released approximately 6.528 tonnes of CO₂ from natural gas energy use and flaring. Our 2008 performance was the second consecutive year that we surpassed our target to decrease emissions by 10% below our 2004 baseline. We expect to see continued improvement in our greenhouse gas emissions as a result of our efforts to improve the reliability and performance of our operations.

Preventing Spills and Leaks

In 2008 Atlantic LNG had no spills that required reporting to the Trinidad and Tobago Ministry of Energy. We are strictly regulated on the storage, handling and containment of these compounds.

In the course of our work, we use a variety of hydrocarbon liquids such as lubricant oils and fuels as well as other industrial chemicals. At Atlantic LNG, we constantly strive to go beyond compliance and therefore, we have identified spills and leaks as a key performance aspect within our environmental management system. We train employees and contractors and encourage one hundred percent reporting of spills. In 2008 we recorded 116 spills of petroleum products and chemicals with an accumulated total of less than 10 barrels equivalents for the period January to December 2008. We also recorded 30 total leaks from our operations that were contained and recovered.

Employee Shuttle Service

Winner: CEO's Sustainability Award for Environment

Atlantic LNG has two locations: our facility in Point Fortin and our headquarters in Port of Spain. Many of our employees have long commutes along the main road access that runs the length of the west coast of Trinidad. In response to employee feedback, the company established a shuttle service with two routes. Shuttle service providers were screened and audited to ensure that our safety and driving requirements were followed.

Approximately five percent of employees use this service. These employees appreciate the benefit of stress free travel. The shuttle is also playing a small part in reducing traffic and greenhouse gas emissions.

Team: Bena Dookie-Shah, Cathy Ann Brewster, Grace-Ann Clarke, Naveen Sharma, Sunil Rampersad.



Operations and Maintenance

In 2006, after a decade of construction, Atlantic LNG settled into steady state operation and focused on becoming even more reliable at running the facility. In 2007, this focus gained a fresh emphasis when the company embarked on its vision of global benchmark status. With regard to Operations and Management, this emphasis called for a new vision of enhanced management systems to take the facility's efficiency and cost performance beyond the levels of current industry leaders. Atlantic LNG surpassed production targets for 2008 and achieved its best production year ever. Seven focus areas emerged in the year as Operations and Maintenance pursued the interwoven strategic aims of Operations Excellence, Capability Growth and Sustainability. These focus areas are:

1. Development and Embedding of Control of Work
2. Performance Management and improvement of Train 4 Reliability
3. Shutdown and Turnaround Management
4. Value Chain collaboration
5. Integrated Planning
6. Cost Management
7. Asset Integrity Management (see page 28 under HSSE)

Development and Embedding of Control of Work (CoW)

In 2008 Atlantic LNG began the process of designing and implementing a CoW system to support its performance for the future. It will cover all site activities and includes - Operations and Maintenance of all Trains; Utility and Jetty systems; Offices and car parks; roadways.

The Atlantic LNG is committed to a CoW standard that requires personnel to be trained and assessed to be competent in the roles that manage Planning, Risk Assessment, Permit to Work and Audit systems, supported by Document Control Management.

CoW focuses on the safe execution of workplace activities. Further support to the CoW Standard is provided by the Atlantic LNG Ticket to Work which details the minimum safety standards to be followed by individuals when carrying out certain high risk activities. Implementation of the CoW Process is conducted on a risk based schedule and our target for complete implementation is the end of 2009.

Performance Management

In 2008 there was a renewed focus on managing performance. Other than the standard key performance indicators of reliability and availability, performance was monitored in a cross functional approach that included:



- Reducing facility risk by addressing the backlog of the maintenance schedule
- Root Cause Failure Analysis (RCFA) was a key component of this approach to identify and eliminate defects in our processes
- More efficient utilization of a single database to manage and prioritize maintenance activities
- Optimization of the operation of the trains without incurring capital expenditure by analyzing equipment and process performance.

As the largest operating train, Train 4 presented unique challenges and opportunities. Throughout 2008, facility teams continued work on addressing some of these, further stabilizing this train's performance and enhancing its reliability. Later in the year, this work bore fruit when Train 4 emerged as the significant producer in meeting the year's target.

Shutdown and Turn-Around Management

One of the key success factors of an LNG facility is efficient execution of maintenance outages. A new "shutdown philosophy" was adopted to maximize the quality of maintenance activities conducted during outages while minimizing their frequency. Two kinds of planning were employed to achieve this objective: daily maintenance planning and a specialized team assembled specifically to manage all shutdowns.

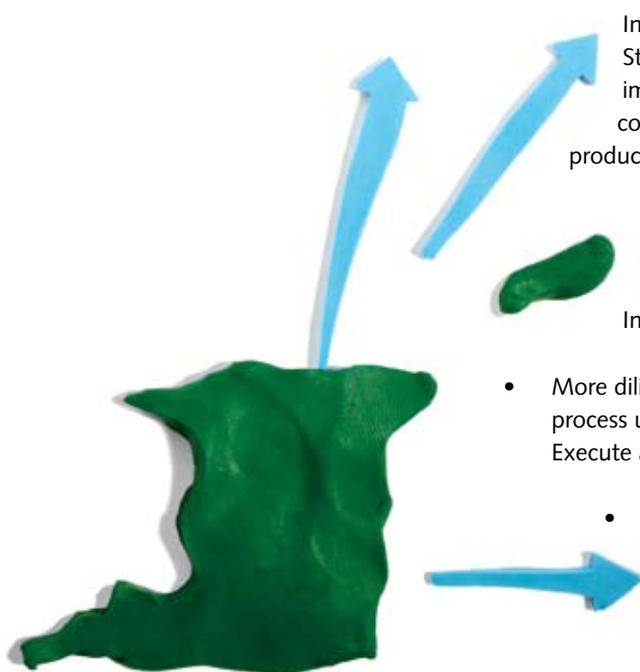
Value Chain Collaboration

In 2008 we placed greater emphasis on stakeholder collaboration. Stronger partnerships were forged internally and externally in order to improve coordination with gas suppliers and customers. This high level of cooperation has been identified as another of the contributors to successful production in 2008.

Cost Management

In 2008, greater emphasis was placed on cost management through:

- More diligent application of the Atlantic LNG Value Process (AVP), a five stage process used for projects requiring capital expenditure: Appraise, Select, Define, Execute and Operate;
- Greater rigour in the procurement process from sourcing to contract administration; and
- More frequent and detailed reporting against cost targets



Integrated Planning

With four trains running in steady state operations we have developed an integrated plan for the facility. All operations and maintenance activities have been captured in a single plan, giving all teams knowledge of the schedule with look-ahead “windows” of two weeks, six weeks and longer timeframes. This integrated schedule has become a component of the facility’s rolling plan for production and has helped teams collaborate to ensure that all activities are sufficiently equipped and staffed.

Mist Eliminator System

Winner: CEO's Sustainability Award for Technology

Atlantic LNG uses large turbines in each of its trains to drive the cooling processes. These turbines draw air from the outside through a filter designed to catch dust and large droplets of water than can interfere with the turbine. The air intake locations are protected from rain, but fine mists of water droplets can still enter the filters. As water builds up on the filters, it becomes more difficult to draw air and the result is lower productivity of the turbines, greater energy use and occasionally disruptions to the turbine functions. We have also noted that moisture from these water droplets can lead to corrosion in the filter housing.

We have identified and planned for the installation of mist eliminators for all four Atlantic LNG trains to reduce water on the filters. These mist eliminators are designed to pull water droplets as small as 20 microns from the air.

The primary benefit of the mist eliminators will be on our operational efficiency. We anticipate that the turbines will be more efficient, we will see lower rates of corrosion in the filter housing and lower frequency of replacement of filters. There are also environmental and safety benefits as the mist eliminators will save energy used by the turbines, reduce the amount of materials we purchase for maintenance and reduce safety hazards that come during normal maintenance. The first mist eliminators were installed in April 2009.

Team: Brian Nancoo, Carl Stoute, Colin Alexis, Kamal Ramnath, Kerry Moodie.



Capability growth



Working at Atlantic LNG

Atlantic LNG is one of Trinidad and Tobago's employers of choice. We believe that our employees are our greatest asset and we are committed to employing the best and brightest talent in the country. In exchange, Atlantic LNG offers a competitive package of salary and benefits and has worked to create an atmosphere where our employees can grow and prosper both professionally and personally.

To achieve an employee culture of success and growth, we have focused our efforts on promoting local employment opportunities; creating a workplace that respects the rights of employees; offering the means for employees to develop their professional skills; promoting healthy lifestyles and a culture of open communication and honest feedback.

Since 2001, when we started our Trainee Programmes for operators and tertiary level graduates, we have benefited by recruiting more qualified people into our permanent staff each year.

		Number of Employees	
		2007	2008
Total		629	680
Location	Point Fortin	499	555
	Port of Spain	130	125
Job Status	Permanent	561	600
	Trainees	63	51
	Contracted	5	29

Trainees admitted to full time positions at Atlantic LNG:

Program	2006	2007	2008
Operator Trainee	50	23	18
Apprentices	9	11	19
Graduate Trainee	0	12	16
UTT Trainee	13	20	3

Promoting Local Employment Opportunities

As a significant employer in Trinidad and Tobago, we believe that it is important that our workforce reflect the diversity and culture of our country. We also understand that one of the greatest investments that we can make in our community is to employ local talent to support the community economy and build important skills and knowledge.

For these reasons, Atlantic LNG has adopted a hiring practice to promote local employment opportunities. When a position within the company becomes available, our guidelines dictate that we first look to our existing employees that may be ready and qualified for advancement within the company. If the position cannot be filled by our existing pool of talent, we will seek local applicants. Only in exceptional circumstances, we will seek applicants internationally.

Our employee numbers bear out the success of our hiring practices. Of our 680 employees, twenty-three percent are from our local community of Point Fortin and only seventeen employees are not native to Trinidad and Tobago

Respecting Employee Rights

Atlantic LNG respects the rights and dignity of all of its employees. For us, this means fair treatment, observance of human and labour rights, upholding equal employment opportunities, protecting employee privacy and creating a workplace that is free of harassment and discrimination. These principles are promoted through our Code of Ethics and upheld through our Policy and Procedures on Non-Harassment. Our commitments are in line with the ILO conventions on human rights through our membership in the Trinidad and Tobago Employers' Consultative Association (ECA).

Supporting Professional Development

At Atlantic LNG, we have several programmes to develop the professional skills and technical knowledge of our employees. These include the Personal Development Plan and the Competency Management Assurance System. These employee development systems are designed to:

- Ensure that we have the necessary skills and training to conduct our operations in a safe, environmentally responsible and efficient manner;
- Empower employees to identify and pursue their own career paths by taking an active roles in planning and shaping their career development; and
- Facilitate employee development through appropriate training and professional learning opportunities,
- In 2008, there were 94 promotions; in 2007, there had been 98.

Personal Development Programme

The Personal Development Programme (PDP) was launched in 2005 and involves personal communication between employees and their line managers. Each year, the employee and manager agree a programme for development of the employee's skill set to meet the expectations of the employee and the needs of the company. The PDP is an important tool for us to plan employees development within the organization in the short term and in the long term. Results of the PDP process are also used to assess company-wide strengths and areas where we need to invest in additional skills development. 2008 was the fourth year of the PDP process and we continually look to improve this process and embed professional development in our human resource practices.

An important mechanism in the PDP is our web-based Competency Development Tool (CDT). The CDT provides a framework of skills and associated development opportunities to give employees influence over the speed and direction of their own career development. Employees will be able to assess their skills levels from basic awareness to mastery, in areas crucial to Atlantic LNG's business and in specific areas applicable to their professional specialties.



The Competency Development Tool (CDT) is being introduced progressively within the organization for the non-technician positions, with three phases of implementation. The first phase, a pilot programme within Facilities Engineering will be completed in 2009. The next phases will involve the roll-out to other teams in Operations during the period mid 2009 to 2010, and culminate with full implementation for the rest of the organization by 2011.

Competency Management Assurance System

The second employee development system distinct from CDT is the Competency Management Assurance System (CMAS). This was introduced to Atlantic LNG in 2008. The CMAS is a tool to assess important work processes within the company and determine where we may have skill and knowledge gaps currently or in the future. CMAS is specifically focused on safety-critical job functions. CMAS is an auditable standard and is designed to allow external verification that the necessary skills and training are in place for safe operations.

CMAS is being rolled out to all Operations and Maintenance technicians, through a formal assessment approach. We are currently undertaking a pilot phase covering 16 technicians. We have completed 85% of the pilot phase and our target is to complete this phase in the first quarter of 2009.



Atlantic LNG Employee Survey

An important aspect of our capability growth and a key indicator for our strategic vision is the Atlantic LNG Employee Survey. We conducted the 2008 survey in the third quarter using both hard copy and on-line materials and received responses from 70% of employees. The results were published on the company's intranet and were assessed by the Leadership Team and the CEO.

The results of the survey are mixed, but contain some strong areas of performance as well as areas where we have improved since 2006. Our overall People Satisfaction Index (PSI) was 54%, which is the same score that we received from our employees in 2006. Our strongest areas continue to be our commitment to HSE, our employees' understanding of the role of the support units and the company performance including technical training of our employees. Our greatest improvement was in our corporate image. We attribute this improvement to our public disclosure of our

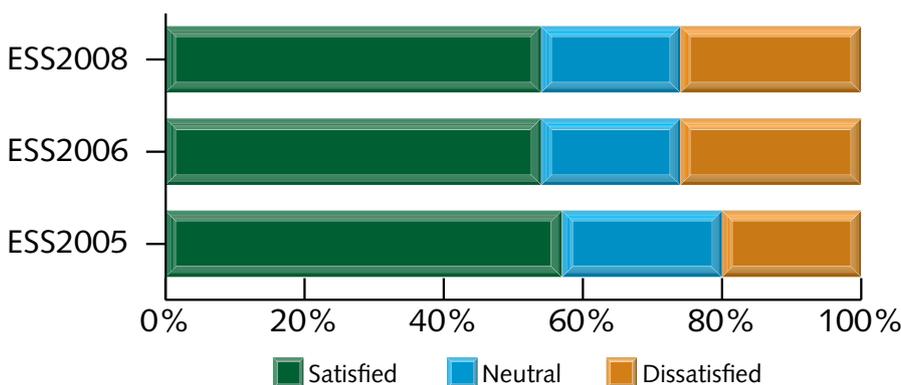
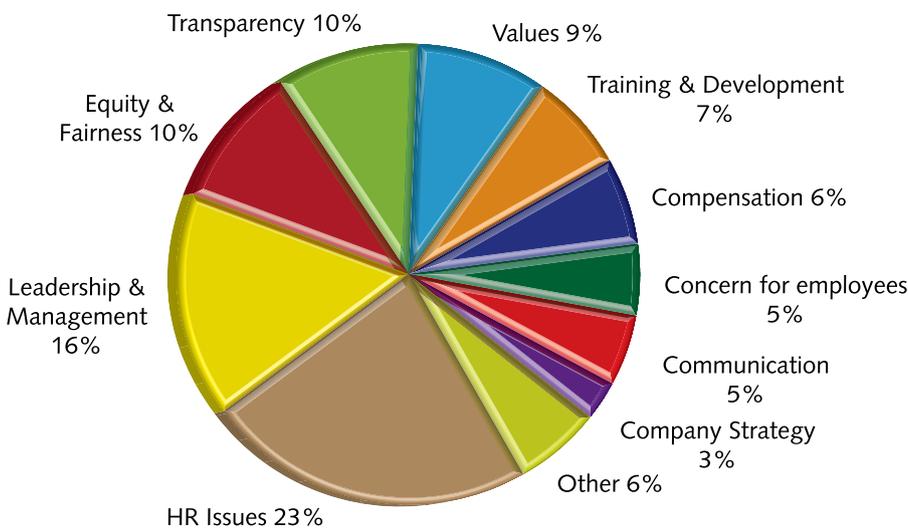
corporate responsibility initiatives and our commitment to building a sustainable community in Point Fortin.

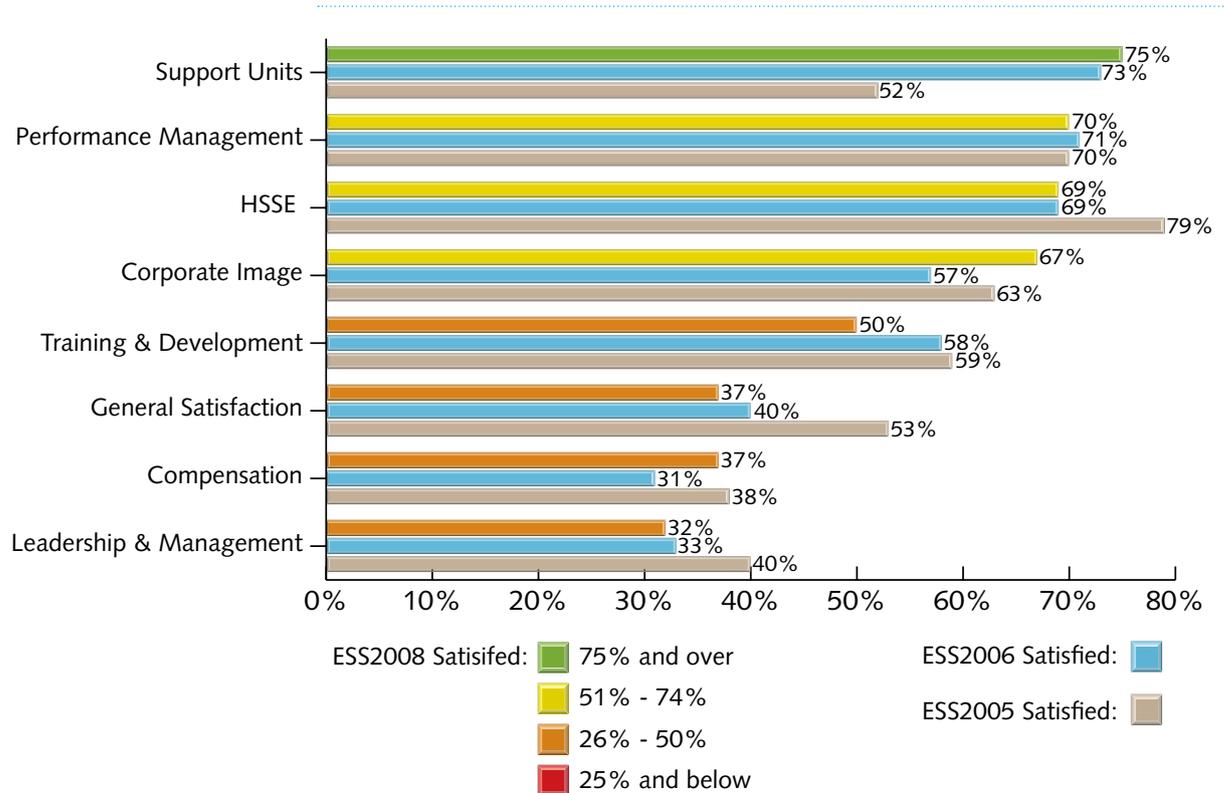
Despite improvement, the transparency of our compensation and promotion practices continues to be one of our most significant challenges according to our employees. To address this challenge, we benchmark our salaries against national and international standards within the energy and LNG sectors. We are also reviewing our disclosure to our employees in an effort to increase transparency and demonstrate objectivity, fairness and equity in our compensation system. Finally, we are seeking to improve our support programs for our management teams including access to continued training and development opportunities and clarity on promotion and compensation policies.

We estimate that it will require at least one full year to see the benefits of our proposed initiatives and programs. Therefore, we anticipate undertaking the next employee survey in 2010. In the meantime, we will continue to engage with employees through a variety of mechanism including training opportunities, our internal communications and the Personal Development Programme.



Overall results for suggestions for improving company





Employee Day Care Services

Winner CEO's Sustainability Award for Community Projects

Our employees told us that key challenges were the difficulty in establishing a healthy work-life balance and the impact of traffic and commuting time. Based on an analysis of company statistics and demographics, we identified that most of the Atlantic LNG staff are 25-34 years of age and just beginning to raise families. We also recognized the need for commitment to mothers in the workplace stemming from the Millennium Development Goals. The result was an idea to establish day care centres for Atlantic LNG employees in Point Fortin and Port of Spain.

We then coordinated with the local Ministry of Education to identify requirements for day care centres including spatial requirements, caregiver to child ratio, qualification of staff, certified day care furniture and the appropriate physical locations to house day care centres in the two locations.

The benefits of the programme have been many and immediate. We enrolled 45 children in 2008 and provide services from 6am to 6pm to accommodate a variety of work schedules. We have provided a safe and secure environment for children including meals, baths and outdoor space overseen by qualified service providers. We have re-affirmed Atlantic LNG as an employer of choice within our communities. We also believe that we have saved time for our employees and the company creating a better work-life balance and a more productive company.

Team: Anil Seunath, Caroline Toni Sirju-Ramnarine, Kami Cupid, Shelly-Ann Edwards

Trinidad and Tobago National Vocational Qualification for Atlantic LNG Operator Training

Winner: CEO's Sustainability Award for Education and Overall 2008 Winner

In 2004, Atlantic LNG established the Operator Trainee Programme. Preference for entrants was given to Point Fortin youths. The programme has now afforded 150 nationals the opportunity to pursue a career as an Operator. In order to expand the benefit of the programme for Atlantic LNG and other employers, we sought to accredit the programme to a nationally recognized standard. In 2008, we completed accreditation of the programme to the Trinidad and Tobago National Vocational Qualification (TTNVQ), a technical vocational qualification issued by the National Training Agency (NTA) in the Ministry of Science, Technology and Tertiary Education.

To accomplish this accreditation, we submitted our programme standards to practitioners and employers in Trinidad and Tobago before receiving approval by the NTA. We also trained and certified six senior Operators as Assessors under the NTA for Process Plant Operations and one human resource employee as a certified Internal Verifier.

Atlantic LNG is now the first company within the energy sector in Trinidad and Tobago to be granted Centre Approval to offer the TTNVQ status in Process Plant Operations. In 2008 we certified 10 operator trainees to receive the TTNVQ award. Looking forward, we hope to expand the TTNVQ programme to the Caribbean Region (CVQ) in partnership with the NTA.

The TTNVQ programme has been a direct benefit to Atlantic LNG by generating technically qualified people for our operations and showcasing Atlantic LNG's expertise in Process Plant Operations. It has also benefitted the Point Fortin community by generating a strong employment path for young people to work throughout the energy sector in Trinidad and Tobago. The experience has forged ties between Atlantic LNG, regional universities and the NTA.

Team: Akhai Porter-Lee, Andre Bruce, Bridgette Jackson, Jacqueline Ryan-Brathwaite, Keith Simmons, Michelle Lutchmansingh, Neil Mohammed, Oral Singh, Radix Andrews.



Assurance Statement

Atlantic LNG contracted BSD Consulting to perform an independent assurance process for its Sustainability Report 2008. BSD conducted the work in accordance with the Assurance Standard AA1000AS (2003). The purpose of the assurance process is to provide interested parties with an independent view of the quality of the report, the management processes for sustainability, and adherence to underlying principles of the AA1000 Assurance Standard.

Scope and Limitations

The scope of our work included all information in the Atlantic LNG 2008 Sustainability Report, printed version, for the period covered by the report. The level of assurance provided is moderate. Some selected data were subject to review; we did not check their accuracy but the consistency of the collection processes. Our data review focused on the following information presented in the report:

- Key Performance Indicators
- Sustainability
- Operational Excellence
- Capability Growth

Independence

BSD is a consulting firm specialized in sustainability. We work independently and ensure that none of the BSD staff members maintains business ties with the company. Parallel to the assurance process, BSD conducted an independent assessment of the CSR performance of the company. This included interviews with stakeholders, and the outputs were considered as part of the assurance process. The work was led by a qualified professional certified by the International Register of Certified Auditors (IRCA no. 1189266).

Responsibilities of Atlantic LNG and BSD

The Sustainability Report was prepared by Atlantic LNG, responsible for all of its content. The objective of the assurance statement is to inform interested parties of the conclusions of BSD on the adherence to three principles of AA1000 Assurance Standard (2003). We were not involved in the preparation of any part of the Report.

Methodology

The process of independent assurance covered two areas of evaluation:

1. Assessment of adherence to three principles of AA1000: completeness, materiality and responsiveness.
2. Review of published information, based on sample tests of provided data.

The work undertaken included:

- Reviewing the content of the Atlantic LNG 2008 Sustainability Report;
- Understanding the process of generating information for the Sustainability Report;
- Interviews with managers from key areas regarding the relevance of information for reporting;
- Interviews with executives of the company;
- Group interviews with employees;
- Interviews with selected external stakeholders;
- For a sample of key data and claims in the Sustainability Report, a review of supporting evidence including interviews, supporting documentation, internal management reports and official correspondence;
- Consideration of the relevance of information in the Sustainability Report from the point of view of the external stakeholder and;
- Delivery of a management report to the company with opportunities for improvements in demonstrating adherence to the principles of materiality, completeness and responsiveness as well as accuracy, in the sustainability report.

Our work did not include the verification of historical financial data.

Main Conclusions on Adherence to Principles

a) Completeness

This principle addresses the inclusion of all business related activities and impacts into the management and reporting process as well as the existence of tools used to incorporate the expectations of stakeholders.

Since the creation of a Sustainability Commitment and a responsible department, Atlantic LNG has shown commitment to integrate sustainability aspects at all levels of the organization. We consider that there is still a challenge to expand the inclusion of sustainability issues into the company's culture, routine activities, its management process and internal control systems. Some sustainability indicators were collected for the purpose of publishing in the Sustainability Report, not with a management focus. This indicates a lack of systematic monitoring, especially of environmental and external social indicators. All sustainability related aspects should be as embedded as the Code of Ethics, which has been integrated into the routines of all staff and management.

b) Materiality

The concept of materiality in the context of non-financial reporting points to the relevance that sustainability issues – managed and reported by the company - have from the point of view of the impacts and strategy of the company but also from the point of view of different stakeholder groups.

Although a broad stakeholder assessment was undertaken by the company that led to strategic working lines, the company failed to identify more clearly its business related, material sustainability impacts. Aspects such as reduction of waste and flaring are major challenges for the company and should have the same level of priority as Health and Safety, where the company has reached an excellent stage of management and performance. Since the business of Atlantic LNG is based on a finite resource, the data base of existing resources should be refined, and investments in local sustainable development should take into account the company's limited economic life. As the forecast of gas reserves in Trinidad and Tobago predict a fading out of exploration, investments should focus on economic alternatives for the local population.

c) Responsiveness

The principle of responsiveness refers to actions, decisions and communications of the organization taking into account specific stakeholder demands. The principle underpins the existence of decision-making processes that provide timely answers, thus stresses the ability of the organization to respond to the challenges of sustainability.

Atlantic LNG has various different consultations and processes in place to understand stakeholder views. BSD reviewed outputs of stakeholder engagement with employees, suppliers and the local community. However, responsiveness for some of the issues raised was not timely. For example, results of the employee surveys showed a decrease in performance. Despite initiatives introduced to address problems - our review showed that these have not addressed issues in an efficient manner. Other critical issues have been identified in supplier relations, where the company has failed to simplify its internal control and payment process. We recommend that the process of consultations is enhanced with the establishment of an organized structure to respond to stakeholders.

Conclusions

As far as BSD could judge, Atlantic LNG has shown progress towards the goals of integration of sustainability management and in its reporting process. Even with a reduced number of indicators, the company demonstrates its strategic commitment, especially in Health and Safety management, and generates information directed to the stakeholders. It is important that the company improves the integration of sustainability concepts and strategies into its management process and internal control systems, seeking ongoing improvement in all areas, such as Environment, HR, Stakeholder Engagement and Community Investments.

BSD Consulting

Beat Grüninger

Joyce Neves Fernandes

São Paulo, July 10, 2009

API/GRI Index Table

	API/IECA Guidance Indicators	GRI "G3" Guidelines	Page
Overview			
About this Report		3.1-3.7	3
Chairman and CEO's Words		1.1	4, 8
Company Profile		2.1-2.7, 2.9, 4.4	10
Dashboard		2.8	14
Oil and Gas Sector in Trinidad and Tobago		1.2	6
Sustainability			16
Governance and Compliance	SOC-2, SOC-6	4.1-4.2, 4.4, 4.6, 4.8-4.9, SO2-SO4	16
Stakeholder Engagement	SOC-8	4.14-4.17	20
Community Investment	SOC-A4, SOC-A5, SOC-A7	SO1, EC8-EC9	27
Sustainable Supplier Relationships		EC6	28
Operational Excellence			29
Safe Operations	H&S-1, H&S-2, H&S-3, H&S-4, SOC-9	LA7-LA8	29
Environmentally Responsible Operations	ENV-1, ENV-A1, ENV-A4, ENV-A5, ENV-3, ENV-4, ENV-5, ENV-A7, ENV-6, ENV-A9	EN3, EN5-EN6, EN11-EN12, EN14, EN16, EN18, EN22-EN24, EN28	34
Efficient Operations			
Capability Growth			40
Working at Atlantic LNG	SOC-1, SOC-4, SOC-A3, SOC-7	2.8, HR1, HR4-HR7, LA1-LA2, LA13, EC7	40
Supporting Professional Development	SOC-5	LA10-LA12	41
Employee Survey	SOC-A2		42
Assurance Statement		3.13	46
Content Index		3.12	5

