



**Strength. Endurance. Leadership.**

## NOTICE TO SHAREHOLDERS

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### **GUARDIAN HOLDINGS LIMITED (GHL), REACHES MAJOR MILESTONE WITH EASTERN CARIBBEAN GAS PIPELINE**

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Guardian Holdings Limited (GHL) is pleased to be able to announce to its shareholders a major milestone towards the achievement of the strategic objectives of the Eastern Caribbean Gas Pipeline Company (ECGPC), which was formed to implement and manage a natural gas export pipeline from Trinidad & Tobago to islands in the Eastern Caribbean.

In a first phase ECGPC will build a 300 Kilometer long pipeline from the Cove Point Estate in Tobago to Barbados through which liquid natural gas (LNG) will be supplied. Subsequent planned phases have the pipeline being extended to other Eastern Caribbean islands such as St Lucia, the Commonwealth of Dominica, Guadeloupe, and Martinique. A reliable supply of LNG is of critical importance to the energy security and economic growth of these countries. The national electricity company of Barbados, the Barbados Light and Power Company Ltd, had previously stated that the pipeline would allow them to bring down their generation costs considerably as they currently use bulk fuel, whose price has continued to escalate on the world market. This pioneering project is expected to help reshape the regional energy market and reduce dependence on oil-based products.

A regular and cost effective supply of natural gas also has the knock-on effect of making transport more affordable and fostering a cleaner environment. In the case of Barbados, the supply of LNG has already fueled discussions around natural gas-fuelled cars and a pilot project has successfully been run to this end.

Guardian Holdings Limited originally became involved in this project through its private equity energy initiative, Prometheus Energy Partners. While GHL took the strategic decision to sell this Fund, ECGPC remained one of our strategic alternative investments. Despite the global economic crisis of 2008 and the local financial sector problems created by the collapse of CL Financial, GHL kept its commitment to the ECGPC due to its local and regional importance as well as its confidence in the ultimate financial success of this investment.

Having steered the project through its initial feasibility stage to the point of actual construction, GHL and its strategic partners decided to augment the institutional capability and financial strength of the organization, by seeking out additional global partners who would bring specialist knowledge and additional capital to the project. Following successful negotiations with two suitable business partners the ECGPC shareholding has been expanded to include new private equity partners, Beowulf Energy LLC of New York and the First Reserve Energy Infrastructure Fund. Combined these two entities now own 60% of ECGPC collectively, while GHL and the UTC, will each maintain a 15% shareholding and the National Gas Company (NGC) will retain its 10% shareholding.

The current ownership position is designed to substantially reduce the risk faced by GHL shareholders while providing the opportunity for a steady stream of income payments. The total return on this investment is expected to be well in excess of the GHL cost of capital invested in the project, while the current shareholding is immaterial to GHL's total assets. Preparation and construction of the pipeline is expected to begin in the next few months.

A handwritten signature in black ink, appearing to read 'J. Mack', is positioned above the printed name and title.

**Jeff Mack**  
**Group CEO**  
5th March, 2012