



THE NATIONAL GAS COMPANY
OF TRINIDAD AND TOBAGO LIMITED

National Energy Policy Gas Sector SWOT Analysis and Medium term Imperatives/Issues

Presented at

National Energy Policy Consultation –
Re-fueling T&T's Economic engine:
a new policy for energy 2011 – 2015

Industry Threats

- US Shale and other non conventional gas could erode T&T competitiveness
- Continued Volatility in commodity prices- reduce gas overall contribution to economy.
- Prospect of higher T&T wellhead prices for future contracts.
- Competition for exploration investment dollar as new gas prone regions emerge.

Industry Opportunities

- Expansion of domestic market - LIC and CNG
- Investment opportunities in external markets.
 - West Africa; Caribbean - Guyana, Suriname Belize.
- Cooperation with Venezuela on future supplies.
- Carbon capture and sequestration.
- Further downstream expansion

Industry Weaknesses

- Limited/shrinking Reserve base: Low RTP ratio
- Limited involvement of local capital
- Dominance of primary processing plants
- Limited participation of State enterprises in gas - value chain .
- Energy efficiency: Aging petrochemical plants.
- Level of Energy pricing subsidies: Liquid fuels and power.
- Low level of public awareness of the sector
- Level of GHG Emissions.

Industry Strengths

- History and Reputation – The Trinidad Model
- Strong Industry Base
- Skilled Workforce
- Flexible Pricing model
- Global companies – upstream and downstream

Imperatives and Policy Issues

- Upstream strategy to build gas reserves base.
 - Competitive fiscal regime
 - Gov't take: upstream or downstream?
 - Cooperation with Venezuela.
- Downstream Strategy
 - Should it be State regulated-i.e. picking winners or market driven?
- Maximize domestic application of gas: LIC and CNG.
 - Price subsidy of liquid fuels and power
 - Business Model for CNG implementation.

Imperatives and Policy Issues

- External Investments
 - Upstream and downstream & services
 - Caribbean; West Africa;
 - State & Private Sector (T&T Inc.)
- Role of the State
 - Facilitator or investor: Petronas; Petrobras?
 - Involvement of local private sector/capital.
- Gas Pricing Regime
 - Transparency: structure or content?
 - Industry Structure

Imperatives and Policy Issues

- Industry and the Community
 - From CSR/Social Projects to Community Economic Development (CED)
- Carbon Capture and Sequestration
 - Link with Oil Sector.
- Local Content development
 - Enterprise development

Thank You.

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