



Government of the Republic of Trinidad and Tobago
MINISTRY OF ENERGY AND ENERGY AFFAIRS

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Media Release

Significant Increase in Exploration and Production Activity in the Oil and Gas Industry

At present there is significant increased level of activity in the oil and gas industry, as it relates to drilling, when compared to what obtained in May 2010 (three years ago). The heightened level of activity is impacting positively on the demand for energy services and overall levels of optimism in the energy sector. The result of all this activity will serve to arrest the decline in oil production and ensure deliverability of natural gas in the coming years.

Currently, in the offshore areas, there are six (6) drilling rigs currently working for different clients. Two (2) of these rigs, viz. the West Jaya and the Rowan XL II, are drilling for bpTT in its Immortelle and Savonette Fields respectively. The third rig, the Rowan Gorilla III is drilling for EOG Resources in the Osprey Field. The fourth rig, Well Services Rig 110 is currently drilling in Trinmar for Petrotrin and is expected to spud the first exploration Minimum Work Obligation (MWO) well in mid-May 2013 in fulfilment of the new Trinmar licence which was granted by the Minister of Energy and Energy Affairs on December 31 2012. A fifth rig, the Trinity Rig 2 (a slant rig) is drilling for Trinity in the East Galeota block. A sixth rig, the semi-submersible Ocean Lexington is currently in Chaguaramas being prepared for its drilling campaign on behalf of Centrica, Niko Resources and BGTT. The current heightened level of activity in the marine areas is in stark contrast to what obtained in mid-2010 when there was one drilling rig operating offshore, the Constellation I drilling for bpTT.

There are also two (2) workover rigs working for Petrotrin in Trinmar, with one (1) of those currently exclusively dedicated to the South West Soldado reactivation project, which is a major plank of the strategy by the Ministry of Energy and Energy Affairs and Petrotrin to arrest the decline in oil production.

On land, the level of activity is also high as a total of eight (8) drilling rigs have been used to drill wells for various operators. Currently there are three (3) rigs drilling for the Lease Operatorships in the Forest area, two (2) rigs drilling for the Farmouts in Quinam, and one (1) each drilling for Petrotrin (in the Forest Reserve area) and Touchstone (formerly Primera Oil and Gas) in the Fyzabad district. One (1) other rig was in use (in the Morne Diablo area) but is currently undergoing pump repairs.

Much of this activity is driven by the clearly stated policy of the Government to incentivize the exploration for, and production of, crude oil and natural gas. These incentives have been included in successive budgets presented by the Government in the last three years. With regard to land-based activity the Ministry of Energy and Energy Affairs has also worked with Petrotrin to facilitate faster approvals for drilling on land.

In addition to all the indicated foregoing activities, the Ministry of Energy and Energy Affairs and Petrotrin will shortly launch the 2013 Land-Based Bid Round. This is the first dedicated land-based bid round since the late 1990s and will offer three blocks totalling approximately one hundred and fifty thousand (150, 000) acres of State land to prospective bidders for the exploration of oil and gas.

Comment from Senator the Honourable Kevin Ramnarine, Minister of Energy and Energy Affairs:

“The level of drilling and workover activity in the oil and gas industry has significantly increased in the last two years. We expect this trend to continue in the medium term. This is as a direct result of Government policy to use the fiscal regime to incentivize companies that invest in exploration and production. In the last two years we have applied a progressive policy with regard to the fiscal regime that has seen Trinidad and Tobago’s upstream sector become more competitive. The Ministry of Energy and Energy Affairs has also worked closely with Petrotrin and other operators to make it easier to do business in the oil and gas industry.”

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