



**SENATOR THE HONOURABLE CONRAD ENILL
MINISTER OF ENERGY AND ENERGY INDUSTRIES**

**LAUNCH OF THE T&T CHAMBER
STATISTICAL DIGEST**

Friday 22nd January 2010 at 10:00 a.m.
at the T&T Chamber Columbus Circle

Salutations

Good Morning,

It is a pleasure to join you today at the launch of this landmark publication, the inaugural Energy Statistical Digest of Trinidad and Tobago. The Trinidad and Tobago Chamber of Commerce must be complimented on this publication which is both timely and informative in that it brings together in a single source the Energy Statistics on the industry in Trinidad and Tobago.

Ladies and Gentlemen, with the recent celebration of one hundred (100) years of commercial oil production in Trinidad and Tobago, the publication of the First Annual Energy Statistical Digest is indeed a fitting acknowledgment of that milestone. The information available in this publication affords us the opportunity to simultaneously look back to our myriad achievements in the past, as well as to look forward to the future and what it means for the energy industry. It allows for the dissemination of information on the Energy

sector which is critical to the present and future development of this country.

The Digest focuses on the past two decades. During this period significant strides have been made in the industry, most notable of which has been the country's transition from an oil-based to a gas-based economy. In fact, 20 years ago Oil represented 85% of the country's primary energy output and today Natural gas represents some 86% of the primary energy.

Within the context of this change, however, we foresee challenges. It was only in CERA week 2009 that the significance of shale gas production was signalled as a tipping point for the global gas industry. This industry has been dominated by Russia, Iran and Qatar with a collective 60% of the global gas reserves. Shale gas – an unconventional gas resource has been steadily increasing its share of US gas production from the Barnett and Marcellus formations, stretching from Texas through the Mid West all the way into the North Eastern USA. The fact that this production is easily

accessible to consumers in the most populous part of the United States has major implications for the Global gas flows for the North America market is the second largest import gas market in the world.

Ladies and Gentlemen, we can make no mistake as to the considerable supply of US shale gas, which 3P gas reserves moved from 616 tcf in 2000 to 2074 tcf in 2008. This substantial increase has recalibrated the supply dynamics of the global natural gas market. At current levels of demand, the U.S. has about 90

years of proven and potential supply – and with more drilling experience, it is envisaged that U.S. estimates will likely rise even **further** in the next few years.

There are implications for Trinidad and Tobago with 70% of our liquefied natural gas (LNG) shipped to United States. At the beginning of the decade, the planning of large scale investments in Qatar, Nigeria, Algeria, Australia and Trinidad and Tobago revolved around increasing shipments of LNG to the North

Atlantic markets. The reasoning behind such plans was that the US natural gas supplies would continue to dwindle, but demand would continue to grow.

What is also significant is that at current natural gas prices, unconventional gas supplies from shale gas, coal based methane and tight sands have signalled their global importance, for not only in North America is these resource important but these resources are available in some 142 geological basin around the world including major gas consuming regions in

Europe and Asia according to the CERA study.

The successful development of domestic shale gas in USA have contributed to current low capacity utilization of the LNG regasification terminals in North America, and this trend is likely to continue.

However, Trinidad and Tobago as the first mover and having one of the lowest unit investment cost in its 4 trains will continue to be a major exporter of LNG.

Another major challenge that has emerged in this 21st century is that of global warming and in this regard Natural gas is the most environmentally friendly fuel by having the least Carbon Dioxide emission per unit of electricity when compared to other hydrocarbon sources.

Ladies and Gentlemen, these are indeed sobering facts. However the hallmark of the Oil and Gas Industry in Trinidad and Tobago has been the will to succeed and the innovation to make it happen. We are also defined by our ability to evolve and adapt to changing

circumstances. This has been demonstrated time and again over the past century.

As such, I wish to suggest that the consequences of shale gas and challenge of global warming, there is a tremendous opportunity for Trinidad and Tobago to consider the increased use of natural gas as a transportation fuel. Today, Natural gas (NG) is considered to be one of the most viable alternatives to traditional fuel energy resources for the transportation sector.

There is much to be gained by the use of Natural gas as a vehicular fuel in Trinidad and Tobago, including but not limited to the reduction in fuel cost, longer engine life since NG is the cleanest burning fuel today with an improved environment due to significant reduction in greenhouse gas emissions. It is estimated that there would be a 49 -75% reductions in carbon monoxide emissions, a 25% reductions in carbon dioxide emissions, a 39-90% reductions in nitrogen oxide emissions and an almost total elimination of particulate matter from Diesel engines. In addition, the

country will benefit from the reduction in subsidy on gasoline and diesel and increased export earnings from released liquid petroleum fuels.

The promotion of CNG usage furthers the Government's commitment to the Copenhagen Summit in recognizing the onset of global warming, and by playing our part in minimizing the outpourings of greenhouse gases. Consistent with this policy shift, the Government would indicate a full plan for the

re-launch of compressed natural gas as an alternative vehicular fuel.

Ladies and Gentlemen, we in the oil and gas industry are in for trying times. But sometimes “we are all faced with great opportunities brilliantly disguised as impossible situations” (Charles Swindoll). Publications such as the First Annual Energy Statistical Digest capture and immortalise how Trinidad and Tobago has created opportunities out of seemingly impossible situations in the past. We have a

strong history of breaking ground in energy development in the region.

Now is the time for us to steer the course of the oil and gas industry, as we seize the opportunity to implement new environmentally-safe energy policies in which natural gas will play a critical role.

Thank You.