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

Presented at
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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