



**Government of the Republic of Trinidad and Tobago
MINISTRY OF ENERGY AND ENERGY INDUSTRIES**

SPEECH

**THE HONOURABLE NICOLE OLIVIERRE
MINISTER OF ENERGY AND ENERGY INDUSTRIES**

Launch of BHP Deepwater Drilling Programme

May 18th, 2016

SALUTATIONS

Ambassadors;

Mr. Vincent Pereira, President of BHP Billiton Trinidad and Tobago;

Members of the Executive Management, BHP Billiton Trinidad and Tobago;

Members of the Diplomatic Corps;

Invited guests;

Members of the Media;

Ladies and Gentlemen.

“The only walls that exist are those you have placed in your mind. And whatever obstacles you conceive, exist only because you have forgotten what you have already achieved.”

I begin with this quotation by Suzy Kassen because I believe it sets the tone for our being here today.

Trinidad and Tobago has a long and proud history of achievements in the oil & gas industry. From our first oil well drilled in 1857, then almost 100 years later in 1954 when we drilled our first offshore well in the Soldado field off the south west coast of Trinidad. Later in 1961 we drilled our first well off the East coast of Trinidad.

The first milestone began our energy story in Trinidad and Tobago and the latter two milestones led to the opening up of new hydrocarbon provinces.

All of the three cases mentioned represented a paradigm shift for Trinidad and Tobago's energy sector. It is my fervent hope that today, in 2016 we mark yet another significant milestone in our ever evolving hydrocarbon industry. Our foray into deep water exploration is poised to be a game changer, one that has the potential to revitalize, re-energise our mature oil province.

You may recall that during my speech to the Energy Chamber's Annual Conference in January I indicated that a review of the Work Programmes submitted to the Ministry by the energy companies revealed that a number of companies had deferred their drilling activities to 2017.

I would have noted that several other companies, such as BHP Billiton, had however affirmed their commitment to carrying out drilling programmes in 2016, notwithstanding the precipitous decline in international oil prices.

I undertook then to keep the country apprised of these programs and if you recall, I expressed that we were all eagerly anticipating the commencement of BHP's deep water exploration programme.

Today, we are here at what can be considered as the pre-show special in anticipation of the main event which will be the spudding of Le Clerc.

We are here today to celebrate with BHP Billiton and Bristow Caribbean the crossing of another barrier that brings us one step closer to that spud date. We are breaking new ground, and the arrival of these Sikorsky S92s is tangible evidence of this.

As a small nation, we have never shied away from taking pioneering risks. In the downstream sector we build M5000, the largest capacity methanol plant. When we opted to use the Phillips Optimised Cascade process for Atlantic LNG, we were the first to attempt the process on a commercial scale. So it is only fitting that we embrace the challenge of deep water exploration.

We have been in the oil business longer than anyone and we need to maintain that pioneering posture. To date, all of our offshore wells have been drilled in shallow water; that is, depths that are less than 500 feet. With the launch of this campaign we are embracing new technological advancements in our efforts to step out and drill wells in water depths greater than 1,000 feet.

Offshore exploration activity requires many and varied support services – and the advent of deep water drilling poses a unique challenge not only to the E&P companies, but also to our service sector which is required to provide various services to support the activity. It requires a step change in the way we operate.

Given that we are operating in deeper waters, also means that we are operating further away from the coastline. The Sikorsky S92s helicopters which we are here to commission, were therefore specially brought in because of their greater effective range and total payload capacity.

Trinidad and Tobago has a long history of safely and efficiently transporting workers and equipment to offshore oil and gas installations and this new fleet adds to our capability.

Overall, this deep water campaign represents many firsts for our country.

BHP signed Production Sharing Contracts (PSCs) in 2013 and 2014 with the Government of Trinidad and Tobago. As part of their work programme, BHP undertook 3D Marine Seismic Survey between March 2014 and February 2015 - the largest 3D seismic programme ever completed by an independent oil and gas company, covering more than 21,000 square kilometres.

The drilling program entails wells being drilled in water depths from 2,500 – 8,500 feet and over 135 nautical miles from Piarco to the site of the first well offshore.

The first well is to be drilled to a True Vertical Depth of 19,356 feet and a measured depth 20,120 feet. The water depth for this particular well is 5,925 feet.

Another key feature of this programme is the drill ship that will be used for the campaign. The Invictus is an ultra-modern 7th generation drill ship with highly specialized and state of the art equipment. The ship is capable of operating in water depths up to 12,000 feet with a drilling capability of 40,000 feet.

Overall there will be a lot of lessons learnt from this campaign and I've been assured by BHP that they will maximize opportunities for locals to gain exposure to the new technology.

The Ministry of Energy and Energy Industries will continue to do its part to encourage exploration activity as we seek to arrest the country's declining hydrocarbon reserves.

We believe that there are still significant hydrocarbon reserves to be explored and developed in and around Trinidad & Tobago. We will continue to encourage additional investment in this sector to exploit these potential reserves as technology continues to improve, giving companies the chance to increase their probability of exploration success.

While our long-term imperative is towards economic transformation through the diversification of our economy, oil and gas will continue to play an important part in Trinidad and Tobago for the foreseeable future.

On behalf of the ministry, the government and people of Trinidad & Tobago, I acknowledge BHP and Bristow's continued commitment to Trinidad & Tobago, and I thank them.

Like BHP, we are optimistic that together we will be at the forefront of opening up new exploration plays in Trinidad and Tobago. We believe that our partnership will continue to redound to our mutual beneficial, long into the future.

I thank you.