



T&T gets most money from LNG

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The Government's negotiation of a new LNG pricing formula with the major upstream companies in T&T now means that this country gets the greatest value from Liquefied Natural Gas (LNG) and not ammonia as was estimated in the Poter and Partners Natural Gas Master Plan.

Speaking on T&T's Energy Future, on CNC3, Minister of Energy Franklin Khan said: "Based on our new, successful negotiation for a new Train 1 FOB (Freight On Board), which is a basket of prices, I would take the liberty to say, possibly at this point in time, the greatest value could be from LNG coming out of that new pricing formula."

Khan said the Government has no particular preference on where

the gas should be allocated and noted that its predisposition is towards what gives the country the greatest return. He said: "Our preference is where the greatest value is net backed to the resource holders."

This has no bearing, however, on the future of Atlantic LNG's Train 1, Khan added. He said: "That's a different story, that's a supply-side matter that BPTT has said what they have said."

The Energy Minister continued: "We have held discussions with BP, we hope BP could do their re-evaluation in the shortest possible time, the shareholders of Atlantic are now considering what the options are."

Khan noted that there are challenges in the gas value chain. However, he added that the current outcomes illustrate the Government is managing the value chain



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Ministry of Energy

Minister of Energy
Franklin Khan speaking
at the launch the T&T
Shallow Water
Competitive Bid Round
2018 yesterday.

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"quite effectively."

He said: "The Gas Value chain is our ability to sign upstream contracts, our ability to adjust margins in the NGC, our ability to sign Gas supply agreements with the downstreamers."

In response to questions concerning the purpose and need for the National Gas Company (NGC), Khan expressed that the Government does not want the company to be removed from the energy landscape in Trinidad and Tobago.

When asked whether the upstream and midstream stakeholders in the energy sector want the NGC "out of the picture" Khan

said: "I don't want to comment on that. I can tell you the Government would not prefer to see NGC out of the picture."

According to Khan: "The NGC is there on behalf of the state, NGC is not there in their own right. They have a monopoly to aggregate the gas."

Khan said he believed all parties can survive amicably. He said: "There is a give and take which has been shown in some of the new contracts we signed."

The Energy Minister noted that the market is changing, but he assured there is a future for petrochemicals in T&T.