



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

SPEECH

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PRESENTATION OF 2016 EDITION OF BP'S STATISTICAL REVIEW OF WORLD ENERGY

HYATT REGENCY, PORT OF SPAIN

THURSDAY 15TH SEPTEMBER, 2016

Madam Chairperson

Your Excellency Tim Stew

Members of Parliament

Members of the Senate

Mr. Norman Christie and Staff of bpTT

Mr. Spencer Dale

Energy Sector Colleagues

Members of the Business Community

Members of the Media

Ladies and Gentlemen

Good morning to all. Before I begin, I wish to extend warm wishes and congratulations to BP on their presentation today, from the Minister of Energy and Energy Industries, the Honourable Nicole Olivierre who regrettably is unable to attend due to pressing commitments at this time.

Special congratulations to the BP Economics Team on your sterling work in the compilation of the 2016 BP Statistical Review of World Energy.

The Statistical Review is one of the most widely acclaimed and sought after energy publication by academics, energy stakeholders and policy makers. It is a virtual encyclopedia on the state of the global energy industry and trends in the demand and supply of energy. In its 65th year of publication, the review stands as a reflection of the commitment and high standards that BP upholds in the pursuit in the various spheres of activities. Moreover, it lends itself as an effective analytical tool that is useful for strategic planning and policy formulation.

Given the quality of information and its relevance to the industry, the Ministry of Energy and Energy Industries believes that the BP World Statistical Review of Energy will continue to be a permanent feature on the global energy landscape.

In the 2016 Edition, Trinidad and Tobago is grouped in the Central and South American Region and is recorded as having proven oil reserves of less than 0.05% and 0.2% of the world's natural gas reserves. Similarly its oil production and natural gas production is represented at less than 0.1% and 1.1% of the world's

production respectively, with LNG exports accounting for just about 5% of worldwide traded LNG.

As we are all aware, the oil and gas industry is again, under pressures that will transform the industry as it did in the 1970s. For Trinidad and Tobago who then as an emerging nation with its abundant resources, successfully achieved the expansion of its downstream sector; the growth of its human capital; development of its infrastructure; just to name a few, must now as a mature energy province seek to implement those strategies that are critical towards ensuring sustainable growth and development. It must entail a multi-prong approach that includes:

1. Greater collaboration between stakeholders and policy makers.

To this end, we are currently at a juncture where the active participation of industry and interaction with the policy makers is paramount. In this regard we have begun a series of consultations between the Ministry and the industry on the development of a National Energy Policy and also concluded discussions between the Gas Master Plan Sub-Committee and the industry on the future development of the gas industry, taking into account the recommendations in the Natural Gas Master Plan.

These consultations have been very informative and enlightening. With respect to the contributions made by the participants at the National Energy Policy fora, these are currently being reviewed and evaluated, while it is expected that the report of the Sub-Committee on the Natural Gas Master Plan would be submitted shortly. I wish to thank the industry for their candid and invaluable comments.

2. Leveraging our Human and Infrastructural Assets

The recent find by Exxon Mobil in Guyana will add to the reserves of the region by the equivalent of more than 700 million barrels of oil, and to oil production by an estimated 100,000 barrels per day. This development in Guyana provides an opportunity for the local energy services industry to extend its horizons and to make a contribution to the development of the energy sector in that country. Recently an Energy Services Trade Mission comprising senior Government Officials, and local private sector energy service companies visited Guyana to explore the opportunities emanating from the recent oil and gas discovery. The Trade Mission was warmly received. A few companies are already engaged in providing services and others stand to benefit from interest shown in the services they provide.

3. Ensuring Security of Supplies

Trinidad and Tobago's continued prominence as a net oil and gas producer will be dependent on how we grow our reserve base of hydrocarbons. It will necessitate increased exploration/development activities in our mature, shallow water and deep-water basins and widening of our boundaries to include cross border and across-border developments.

From an operational standpoint, over the period 2016 to 2018 companies have committed to the drilling of 22 exploration wells, of which 8 are deep-water exploration wells. For 2016, 4 exploration wells have been scheduled for the South-East Coast and East Coast marine areas. bpTT has scheduled one well, the Savannah, in East Mayaro at a water depth of 633 feet for the last quarter 2016,

and EOG Resources in a Joint Venture with bpTT will commence drilling operations in the Sercan Field in the East Manzanilla Area in the same period. One deep-water well, the BHP Billiton Le Clerc was completed in Block TTDA 5 at a total depth of 22,876 feet and encountered gas at its targeted zone. The results are being evaluated. Another deep-water well the BHP Billiton Burroket 1 is currently being drilled in Block 23a off the North-East coast of Trinidad in a water depth of 6300 feet. The approved total depth is 27,990 feet. The results of the first deep-water well are encouraging and we await the outcome of the 2nd exploration well.

The US Consultancy firm, Ryder Scott, has just completed the 2015 Natural Gas Audit and the results are being evaluated.

With respect to the across-border initiatives, discussions between this country and Venezuela, in respect of the Dragon Field are on-going. With respect to the Loran/Manatee Field, the Government is awaiting a draft Unitization and Unit Operating Agreement (UUOA) from the companies. With respect to the Manakin/Cocuina field, BPTT and Statoil are pursuing technical discussions.

In addition, equally important in this country's energy development will be the maintenance of a competitive local oil and gas market; ensuring relevant and balanced legislative and regulatory framework.

Another another key strategy entails:

4. Renewable and Alternative Energy Forms.

While oil and gas will be the mainstay of the economy of Trinidad and Tobago for the foreseeable future and will drive our developmental agenda, we cannot ignore the increasing contribution of renewable energy in the global fuel mix.

The 2015 Climate Change Conference in Paris agreed that the world cannot continue with the current rate of utilization of fossil fuels without devastating effects on the global environment. Trinidad and Tobago, was a participant at the Conference that agreed to set a goal of limiting global warming to less than 2 degrees Celsius (2°C) compared to pre-industrial levels. To achieve this objective, a reduction in the utilization of fossil fuels and an increase in renewables in the energy mix accompanied by increased energy efficiency is required.

One of the main planks of policy of the Government of Trinidad and Tobago is the promotion of energy efficiency, and renewable energy sources, including wind and solar, as the means to increase energy security and to reduce our reliance on fossil fuels to power our economy.

In keeping with our policy it is our intention to maximize, where practicable, the use of renewable energy such as solar and wind through incentives, concessions and enabling legislation, and make the reduction of Trinidad and Tobago's carbon footprint a priority by setting appropriate renewable energy production targets.

To this end Government has set a target of 10% renewable power generation by 2021. This will require the development of around 150 MW of renewable energy

resources and we have been evaluating a number of options, particularly wind technology to achieve this objective. The legislative framework for the incorporation of renewable energy sources in the national power grid is currently being developed as well as amendments to the Trinidad and Tobago Electricity Commission Act and the Regulated Industries Commission Act, which currently make no provision for renewable energy power generation by Independent Power Producers.

As part of the strategy to attain the target of 10% of power generation by 2021 we have also embarked on a Waste to Energy Project which is to be established at the Beetham Landfill Estate in Port of Spain.

It is anticipated that the Waste to Energy Facility will contribute to the modernization of the Integrated Municipal Solid Waste System in Trinidad and Tobago by improving its economic, environmental and social performance, while concomitantly contributing to the attainment of the country's sustainable energy targets.

While renewable energy forms are geared towards power generation, the use of alternative energy forms such as CNG and electric and hybrid vehicles in the transportation sector have been granted incentives. Increasing use of these forms of energy will also contribute to reducing this country's carbon footprint.

Energy irrespective of its form is required for development. The challenge is to produce energy while protecting the environment. In this regard strides in technology is facilitating a more efficient use of energy and a shift to lower-carbon fuels. Much more still has to be done in arresting the growth of carbon emissions and Trinidad and Tobago is committed to doing its part.

Ladies and gentlemen, thank you for this opportunity to share with you some of this country's strategic measures that are being implemented in moving this country on a path to sustainable development. In closing, please accept my sincere thanks for affording us a presentation by BP's Economics Team on your 2016 Edition of the Statistical Review of the World Energy and wish you success in your future endeavours.

I thank you.