

NEWS

PM's warning on removing NGC

'Like committing hari kari'

CLINT CHAN TACK

BOTH Prime Minister Dr Rowley and Energy Minister Franklin Khan yesterday declared the National Gas Company (NGC) has a permanent place in the country's energy business model.

They made this declaration at a ceremony for the signing of a term sheet between the NGC and Shell at the Hyatt Regency Hotel in Port of Spain.

Rowley warned that removing NGC from this model was tantamount to "committing hari kari (Japanese ritual suicide)" to TT's energy sector. Rowley declared, "We are all in this together. The NGC equals the people of TT. End of story."

He explained the investment that TT made in the NGC was not dif-

ferent from the investments which upstream and downstream energy companies made in their respective operations. "We are not in this for joke," Rowley said.

Referring to the key role played by NGC in meetings with Shell, BP, BHP Billiton and EOG Resources in the Hague, London and Houston over the last month, Rowley declared, "This signing today is a bright light in a period which looked gloomy and our future is now in good hands."

He explained that TT has to ensure that its relationships with upstream and downstream energy companies are sustainable. Should this not happen, Rowley said investors "will pick and leave as they have done before."



SHELL SHOCKED: Whatever outgoing Shell vice president and country chairman Derek Hudson was saying, he had the undivided attention of Prime Minister Dr Keith Rowley and National Security Minister Stuart Young yesterday at the NGC Shell term sheet signing at the Hyatt Regency in Port of Spain. PHOTO BY ROGER JACOB.

Rowley said the gas curtailment issues which TT faced in 2014 and 2015 had to do with build relationships with players who can find the multi-million year

old gas which still exists in this country's energy province.

For his part, Khan declared, "Nobody is going to squeeze the NGC out of the gas

value chain." He said the signing of the term sheet with Shell, meant that gas contracts have been signed with all major companies operating in TT.

Since upstream producers are demanding higher prices for their gas, Khan said, "As a consequence, the gas prices to the downstream petrochemical plants in Pt Lisas and elsewhere would have to increase."

He said the NGC has significantly reduced its margins and been engaging its downstream customers on strategies aimed at optimal utilisation of natural gas. Khan said Government is prepared to partner with "industry in practical and innovative ways to facilitate its growth and sustainability."

Khan said CNC, Nutrien and N2000 have "taken on board new pricing arrangements. He was confident that companies whose contracts expire in December will "come to agree-

ment with NGC for a new gas supply contract." Outgoing NGC chairman Gerry Brooks said the company's dedication is reflected by the uplift of gas production from 3.2 to 3.8 billion cubic feet. Brooks said today there is better gas coordination in the energy sector and minimisation of disruptions and outages.

NGC president Mark Loquan said the company "has proven itself and continues to prove itself worthy as a key economic partner generating greater value for the country." Outgoing Shell vice president and country chairman Derek Hudson said the agreement was a positive step for the people of TT and Shell. Rowley praised Brooks and Hudson for their service to TT.