

BUSINESS

Gas price up slightly

JULY natural gas yesterday finished at US\$2.624 per million British thermal units, up four cents, or 1.6 per cent. West Texas Intermediate crude oil for July delivery on the New York Mercantile Exchange fell 33 cents to settle at US\$58.81 a barrel after trading as low as US\$56.88. T&T's revised 2019 budget is based on an average price of oil at US\$60 a barrel and natural gas at US\$5 per 1,000 cubic feet.

Govt, Shell sign new energy deal

PORT OF SPAIN
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AFTER 20 years, the Government of Trinidad and Tobago is getting a bigger share of the liquefied natural gas business.

It's one of the results of the recently concluded negotiations with Shell Trinidad and Tobago, with the formalisation of the agreement taking place yesterday in the Hague, Netherlands.

As it stands, the Government receives taxes from companies in the LNG business with the National Gas Company (NGC) having a ten per cent shareholding in Atlantic's Train 1 and a 11.11 per cent shareholding in Train 4.

A statement issued by the Office of the Prime Minister: "This new agreement is a significant milestone for the people of Trinidad and Tobago as it features an enhanced revenue package for the sale of LNG. The energy deal is the result of months of positive and relationship-building discussions between Shell and the Government."

The agreement was signed by Energy Minister Franklin Khan on behalf of the Government while Derek Hudson, vice president and country chair of Shell Trinidad and Tobago, signed on behalf of Shell.

Prime Minister Dr Keith Rowley was present at the signing while National Security Minister and Minister in the Office of the Prime Minister Stuart Young signed as a witness.

"The agreement reflects the mutual importance of the relationship and the value Shell has placed on Trinidad and Tobago as a province. The parties have committed to continue their discussions surrounding the development of the energy sector in Trinidad and Tobago," the statement said.

'Enhanced revenue'

The Government did not explain in detail what exactly it meant by an "enhanced revenue package."

Government and Finance Minister Colm Imbert have tried to quell uncertainty amid the potential mothballing of Atlantic's Train 1 in 2020 because energy giant BPTT could not sign on to a new gas agreement for the train.

The company announced a few weeks ago that its infill drilling programme had failed to secure enough gas (about 200-300 million standard cubic feet per day) to satisfy its obligations to Train 1.

In November 2018, the Government successfully negotiated an extension of Atlantic's Train 1 for the next five years, including a new pricing formula that will "enhance the revenue of IT".

The initial 20-year contract for Train 1 would have ended in April.

The Government's negotiating team — which includes Khan, Young and president of the NGC Mark Loquan — had reached gas agreements with Train 1's main shareholders, Shell and bpIT and secured for the NGC, the ability to sell liquefied natural gas cargoes on behalf of the people of TT.

BPTT owns 54 per cent of the company that operates Train 1 while Shell is the largest shareholder of Train 1 with a 46 per cent stake in the facility.

Paves way for Shell

In a statement to the *Express*, Shell reiterated that the Heads of Agreement signing was for "an enhanced revenue package for the sale of LNG".

It said: "This represents a significant achievement for Trinidad and Tobago and for Shell as it paves the way for Shell to further progress the development of the energy sector in partnership with its key stakeholders including the Government of Trinidad and Tobago."



FOREIGN EXCHANGE RATES for May 29, 2019			
CURRENCY	CASH	BUY	SELL
US\$	6.1500	6.6059	6.7793
CAN\$	4.6154	4.8583	5.2470
STGE	7.9272	8.3444	9.0025
EURO€	7.0120	7.3811	7.9716
YEN¥	* ****	0.0604	0.0649
Swiss Fr	*****	* ****	6.8984
ECS	2.2272	2.4209	2.6170
BDO\$	2.7086	* ****	3.5092

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UNIT TRUST			
The following are the prices of the respective schemes for trading day: May 29, 2019			
INCOME FUNDS			
Fund Name	Price	Estimated Effective Yield	Period
TTS Income Fund	TTS20.00	1.25%	May 01-31, 2019
USS Income Fund	US\$20.00	0.92%	May 01-31, 2019
UTC Corporate Fund	TTS100.00		
OTHER FUNDS			
Fund Name	Offer Price	Bid Price (Net Asset Value)	
Growth & Income Fund	TTS18.42 (unchgd)	TTS18.06 (unchgd)	
Universal Retirement Fund	TTS46.22 (+3)	TTS46.22 (+3)	
Global Investor Select EIF Fund SP:			
-Conservative	US\$19.66 (-6)	US\$19.66 (-6)	
-Moderate	US\$19.59 (-7)	US\$19.59 (-7)	
-Aggressive	US\$19.29 (-10) (as at May 28, 2019)	US\$19.29 (-10) (as at May 28, 2019)	
Calypso/Macris Index Fund: Net Asset Value (NAV)	TTS24.97 (+6) (as at May 27, 2019 - Note 2-day lag in price)		

Performance is subject to variations and is likely to change over time. Past performance should not be treated as an indicator of future performance. Important information concerning the investment goals, risks, charges and expenses is contained in the prospectus. Investors should carefully consider these before investing. Obtain a prospectus from our website or at any of our UTC Investment Centres and read it carefully before investing.



ON TOUR: Prime Minister Dr Keith Rowley, centre, members of the Government delegation and Shell officials tour the Shell Technology Centre in Amsterdam, Netherlands yesterday where he received an update on the latest projects and the technology being utilised by Shell, specifically in Trinidad and Tobago, to leverage improved returns in the energy sector. —Photo courtesy The Office of the Prime Minister