

BHP makes big gas discovery

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The Australian energy company, BHP has made a 3.5 trillion cubic feet discovery in the northern deepwater area of Trinidad and Tobago.

This announcement was made at an investor update on 11 November by BHP President Operations Petroleum, Geraldine Slattery.

Slattery said: "In the deepwater, in our Northern licenses, we have declared 3.5trcf gross discovery, with further potential upside. Whilst detailed development studies are just getting started, a hub appears best suited to this play."

The Northern license area includes the Tuk-1, Bele-1, Boom-1, Hi-Hat-1 and Bongos-2 wells.

This is good news for the country which has suffered from natural gas shortages.

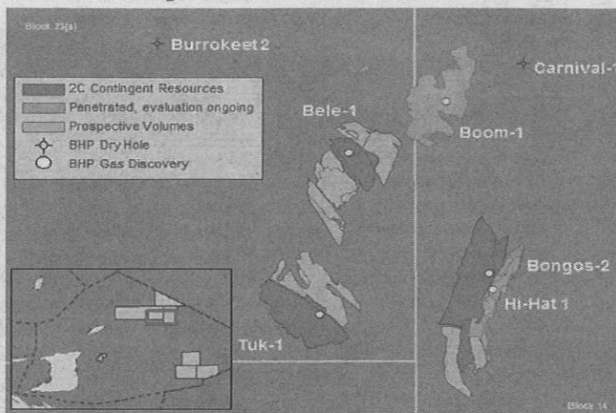
Slattery added that BHP has operated in T&T for nearly 20 years in the shallow-water Angostura field. She noted: "Earlier this year we sanctioned the Ruby Brownfield project, which was underpinned by continued appraisal and seismic imaging in proximity to the original development."

In T&T, Slattery noted that the context "assumes access to existing LNG infrastructure in T&T, which has capacity, whilst recognizing, there are multiple development concepts being considered at this phase in the project."

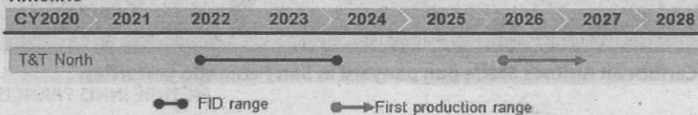
She said that as the operator, with high equity interest, BHP also has the scope to optimize the development planning and the development concept. Slattery stated: "Subject to being competitive for capital, we see an FID (Final Investment Decision) from 2022."

During the Q&A segment, Goldman Sachs employee, Paul Young questioned Slattery as to whether spare

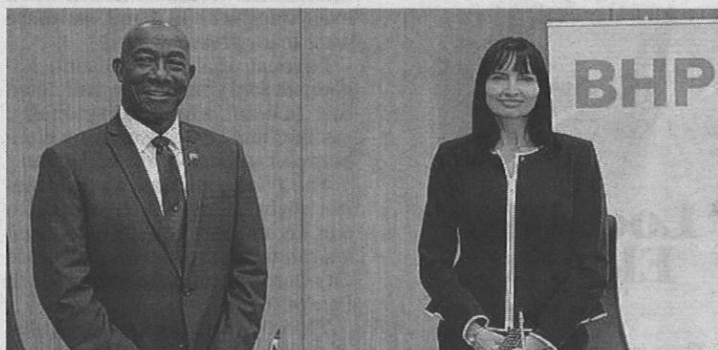
Trinidad & Tobago North licenses and discoveries



Timeline



BHP Map PICTURE COURTESY BHP



Prime Minister Dr Keith Rowley and BHP president Operations Petroleum Geraldine Slattery pose for a photo at the energy company's petroleum headquarters in Houston, Texas on June 4.

capacity will open at Atlantic LNG. He also asked if bhp has enough resources to move ahead with its plan or if the company's plans are contingent on further exploration.

Slattery said that the LNG conceptual development is in the early stages. She continued: "In terms of the resource question, there is sufficient resource in what we have

discovered today and booked in our contingent resource."

Slattery also argued that there is "upside beyond that, from one of our most recent wells, which isn't actually captured in that, and there's further appraisal that we need to do."

However, Slattery noted that for "the contingent resource that we have reported, that does support the development."

In terms of access to the LNG facility, Slattery said that BHP intends to access the LNG market and the domestic market. She also indicated that the domestic market in T&T is a strong market with ammonia and methanol demand increasing.

Slattery said: "In terms of the LNG facility, there is ullage available, certainly as we look out towards a potential first gas timeline. There are few reported, that we understand, material gas resources that would compete for that ullage."

Meanwhile, Young asked, how BHP would navigate with their discoveries, noting that BP holds a 30% non-operator share of the blocks in the northern license area and significant equity holdings in Atlantic LNG.

Slattery explained: "From the outset, we did purposefully and strategically partner with Bp, given that they are involved with the midstream."

She added that the northern licenses will be a "subsea integrated development and we assume at this point for the purposes of the illustration that we tie into shallow water infrastructure that allows access into ultimately the domestic market and the LNG market."

When it comes to the southern licenses, Sonia Scarselli, the Vice President of Exploration and Appraisal said "We are still evaluating oil potential in the area, and how to further commercialise the gas discoveries at LeClerc and Victoria.