



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

**FEATURE ADDRESS**

**BY**

**SENATOR THE HONOURABLE FRANKLIN KHAN**

**MINISTER OF ENERGY AND ENERGY INDUSTRIES**

**AT**

**THE PRESENTATION OF THE  
GAS AUDIT RESULTS FOR THE YEAR END 2018**

**AT**

**THE MINISTRY OF ENERGY AND ENERGY INDUSTRIES**

**PORT-OF-SPAIN**

**ON**

**WEDNESDAY 20<sup>TH</sup> NOVEMBER, 2019**

**10:00 AM**

## **Salutations:**

1. Honourable Ministers of Government
2. Acting Permanent Secretary, Ministry of Energy and  
Energy, Sandra Fraser
3. Other Permanent Secretaries
4. Chairmen and CEO's of State Entities
5. Representatives of the Energy Companies
6. Members of Staff of the Ministry of Energy and Energy  
Industries
7. Members of the Media
8. Other specially invited Guests

Good morning

Welcome to the Results of the Annual Audit of the Non-Associated Natural Gas Reserves and Resources of Trinidad and Tobago for Year End 2018. This is in keeping with Government's policy to maintain open channels of communication and to encourage the public to be aware of the business of the country, considering the high stakes of the gas supply and demand balance for the country; the public has rightly come to expect frequent updates like this one, on our important gas resources.

Let me provide some additional background on how our relationship with Ryder Scott evolved. Natural Gas Reserve audits were previously undertaken by the Ryder Scott Company for and on behalf of the Government of Trinidad and Tobago during the periods 2000 to 2004, 2006 to 2010 and 2011 to 2015. Ryder Scott was engaged on five (5) year contracts and the previous contract ended in 2016. In 2017, Cabinet granted approval for the Ministry to seek an independent petroleum consultant to undertake annual audits of the non-associated gas reserves for the five year period from year-end 2016 to 2020. Following a highly competitive tender process, a team from the Ministry conducted evaluations and selected the Ryder Scott Company from a field of five (5) prestigious international petroleum consultants that tendered

bids. The first two audits of the contract, Year End 2016 and Year End 2017 were completed last year. Year End 2018 is the third audit of the contract.

The Permanent Secretary spoke about the primary objective of these audits, the first two objectives made reference to the provision of an **independent** certified statement of the country's gas reserves in the Proved, Probable and Possible categories and to make an assessment of Exploration Resources. I wish to stress the word independent here.

It is important for the public to understand that Ryder Scott is an independent petroleum consultant and thus insulated from many of the pressures normally associated with an International Oil and Gas Company that must compete for project investments. It operates using standards that have been set by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers. Thus, the 4<sup>th</sup> objective about our volumes being assessed in accordance with industry standards is being achieved. You can be assured then, that the detailed country report produced by Ryder Scott does provide a reliable basis for the development of national energy strategies for both our upstream and downstream stakeholders, seated here today.

The results of the past several audits have been among the most positive since the first country audit was produced in 2000 as it relates to Total Reserves. If we examine **Chart One (1)**, which references Total Unrisked Gas Reserves (Proved + Probable + Possible) from 2000 to 2018, we observe that for the first time since the 2000 to 2002 period you can see a consistent upward trend in Total Unrisked Gas Reserves over the 2016 to 2018 period. At the same time, gas production trended upwards between 2017 and 2018.

The Proved Natural Gas Reserves story has seen a turnaround as well. Between 2016 and 2017, the country experienced 150 % Reserve Replacement. This meant, as shown in **Chart Two (2)**, that 1.1 TCF of Reserves produced were replaced by additions of Proved Reserves in the amount of 1.7 TCF in that year, taking the Proved Reserves from 9.9 TCF to 10.5 TCF.

In other words, Ladies and gentlemen – we had a proved reserve increase - something which has not happened since the 2001 to 2002 period, when it went from 20.4 TCF to 20.8 TCF. In addition to this, between 2017 and 2018, in spite of increased Reserves Production of 1.3 TCF, Proved Reserves additions were able to keep up with the higher production, to maintain the 10.5 TCF Proved Reserves figure, as seen in **Chart Three (3)**.

Exploration Resources meanwhile remained on the rise between 2010 to 2018, even rising an astounding 34 % between 2016 and 2017 as the massive Deepwater Gas Resource leads were quantified and added to the report, as can be seen on **Chart Four (4)**. The fall between 2017 and 2018 is partly due to exploration success in the Deepwater that moved some volumes out of this category.

In case you were wondering how this turnaround occurred, you need look no further than the upstream operators represented here in the room today. Here are some of the highlights for the Year End 2017 report:

1. The Trinidad Region Onshore Compression Project, also known as (TROC), became operational in the second quarter of 2017, and resulted in upward reserve adjustments for fields located in the Mahogany and Amherstia hubs.
2. We saw a successful partnership between BP and EOG that led to the drilling and completion of the Banyan 2 well, which provided data that helped increase reserves in the nearby Cassia field.
3. The BHP LeClerc and BP Macadamia and Savannah discoveries were made.
4. Toucan and Sercan field development provided significant upside that boosted reserves.

Meanwhile in 2018 the Deepwater Exploration successes by BHP with Bongos and Victoria were crucial to reserve additions, as were the application of the latest seismic technology to their Block 3a Ruby and Delaware discoveries. Exceptional performance from the latest wells drilled in the Shell Dolphin field was particularly significant as well.

Now that you have been appraised of the work of the current audits, I am sure you would like to know what awaits the country in the sphere of future independent audits? An audit of the country's crude oil reserves as of year end 2018 is almost completed and should be ready by December. The process began in October 2018, with the assistance of the oil auditor, Netherland Sewell and Associates Inc. (NSAI), who also conducted the country's last official oil audit as at 1 January, 2012.

NSAI recently presented preliminary results to a team of technical staff in the Ministry, indicating that there have been very significant increases in our Prospective Resources due to Deepwater oil leads identified in blocks operated by BHP. This bodes very well for future Competitive Bid Rounds in our Deepwater acreage.

When Ryder Scott kicks-off data gathering for the year-end 2019 Gas Audit, tentatively in March 2020, they will have quite a task on their hands. Their geologists will be busy mapping gas discoveries by BP, BHP and Touchstone in the Ginger-1, Hi Hat-1, Bele-1, Tuk-1 and Coho-1, exploration wells. On the agenda also is a remapping of Angelin field based on successful development wells that identified a new reservoir, which is to be exploited by the fifth Angelin well.

Further, Leads and prospects worked up using:

1. Shell's Flambeau OBN seismic over its East Coast acreage,
2. BPTT and EOG Resources' joint OBN seismic over TSP, Galeota Ridge, SECC and Modified U(a) South West

should finally be ready to be shared by these companies and evaluated as Exploration Resources. Herman Acuna and his team will be quite busy.

Finally as I promised earlier this year, a summary report of the results of the past several Non-Associated Gas Reserves Audit Reports is to be released today. This is additional proof that as was said in my opening line, this Government is about maintaining open channels of communication and encouraging the public to be aware of the business of the country.

Thank you very much.

I am open for questions by the Media on the foregoing.