

NGC/Touchstone/Heritage sign natural gas agreement



National Gas Company (NGC), Pt Lisas

The NGC has signed a Framework Agreement with Primera Oil and Gas Ltd-- a wholly owned subsidiary of Touchstone Exploration Inc (Touchstone)--and Heritage Petroleum Company Limited (Heritage) for the supply of natural gas from Touchstone's recent land discovery.

In a media release the NGC said the gas discovery was made in the Ortoire Onshore Block in two wells, Coho and Cascadura.

"The Coho-1 well is a natural gas discovery, and initial production rates are expected to be 10-12 MMscf/d.

"Work is progressing to bring this well on stream in the third quarter of 2020," the NGC noted.

Meanwhile, it added that initial flowback testing on the Cascadura-1ST1 well has confirmed it is a significant liquids-rich gas discovery. Exploration work continues with a further two prospects still to be drilled.

The Framework Agreement marks an important step towards boosting T&T's gas supply to existing markets, the NGC explained.

The agreement is to develop plans and foster a strategic partnership with respect to the development, sale and purchase of natural gas and natural gas liquids produced from the Ortoire Block, onshore South East Trinidad, the NGC said in a statement.

It added that in a broader context, this Agreement also represents a significant development for the country, as it signals the first commercial gas production from onshore fields in nearly two decades.

Commenting on the agreement, NGC's President Mark Loquan said: "In the context of world events and the domestic gas scenario, this Agreement and the considerable potential of the underlying asset are welcome good news for our energy sector."

He added that credit must be given to all teams, across all three parties, who have been driving the effort to ready this Agreement, even amidst prevailing challenges.

Loquan said the NGC has been aggressively pursuing new sources of gas as part of its growth strategy, and this development adds another measure of stability to supply from a promising new prospect.

"We are now set to open a new chapter in the history of onshore natural gas production," Loquan noted.

Paul Baay, CEO of Touchstone, which is based in Calgary described the Framework Agreement as a very exciting opportunity to partner with two prominent Trinidad organisations to fully develop existing and future natural gas discoveries on its Ortoire exploration property.

“NGC brings the vast understanding of gas infrastructure to the project and Heritage brings technical knowledge to support the Touchstone team,” Baay said.

He added that the Framework Agreement is a key step to a timely “maximisation of this world class asset.”

CEO of Heritage Arlene Chow added that the company is excited to have achieved this milestone with Touchstone as operator since the last onshore gas discovery was in 2002, not too far away in the Carapal Ridge 1 well.

“The Coho, Cascadura and other developments from the Ortoire Block are important to our near and medium-term growth strategy in Trinidad and Tobago and to our commitment to help secure the country’s energy future and the creation of sustainable jobs.

“In this regard, we value the continued strong relationship with our operator Touchstone and NGC to achieve this strategic vision,” Chow said.

With this Agreement now in place, the next steps will be conclusion of detailed Gas Supply Agreement Terms and the development of the Coho and Cascadura fields.