

TRINIDAD and TOBAGO

**NEWSDAY**

## Upbeat Khan: No rise in gasoline cost

SEAN DOUGLAS *FRIDAY 16 OCTOBER 2020*



***File photo - Energy Minister Franklin Khan.***

ENERGY Minister Franklin Khan said that at the current low world prices for gasoline, TT's drivers are unlikely to face any hike in prices at the pump, even amid the budget's proposed removal of the fuel subsidy.

He spoke on the budget on Wednesday in the House of Representatives, which resumes on Friday in Standing Finance Committee to examine allocations to each head.

Khan hailed the discovery of significant natural gas at the Chinook 1 field at the Ortoire block by Canadian firm, Touchstone, announced just hours before.

He said as this was onshore, it will be easier to extract gas than for marine fields. That said, he later made the point that TT is the world's prime location for deep-water drilling.

Khan predicted greater gas production by next year, to help alleviate ongoing shortages.

Saying such projects as the Touchstone find have a long gestation period, he said these finds were the result of previous planning, bull work, ground work and negotiations.

Khan was very optimistic about TT's overall energy position. He said the US Government's Energy Information Administration (EIA) has predicted oil prices will rise to US\$47 per barrel (Brent), in line with the budget being predicated on a global price of US\$45.

Also, rising demand as northern nations head into winter are predicted to drive up the natural gas price to a Henry Hub value of US\$3.38 per mmbtu, comparative to the budget's predicated value of US\$3.00.

Khan said compared to energy revenues contributing just 26 per cent to the 2016 budget, the 2021 budget will have energy revenues of 76 per cent. Within these revenues, he saw natural gas royalties moving from \$400 million in 2016, to \$3.5 billion in 2019, to \$2.5 billion in 2020 (as reduced by the impact of covid19) and a projected \$4.4 billion in 2021.

He predicted a ramp-up in gas production by 2022 once demand remains stable. It is now 2.2-2.3 billion cubic feet (bcf) per day but he expected by 2024 it could grow to 4.0 bcf per day.

Khan announced a list of new wells set to starting producing gas over the next four years, variously for BP, BHP, Shell, EOG and Touchstone.