

Trinidad & Tobago Guardian

T&T's deepwater gas prospects



There wasn't an announcement of a major gas find in T&T's offshore fields as had been widely expected yesterday. Rather, the presence of Prime Minister Dr Keith Rowley at yesterday's briefing with officials of the Energy Ministry and BHP T&T, was an anti-climactic announcement about the investments and promising prospects from BHP's Exploration Programme.

It is without a doubt, one of the few bright spots in what has been mainly bad news from the oil and gas sector. In recent weeks, there has been a series of plant closures at the Point Lisas Industrial Estate and news of impending layoffs at bpTT, plus the fallouts from the COVID-19 pandemic.

To counter all that doom and gloom came yesterday's big announcement of the drilling by BHP of the Broadside Well in the East Coast Deep Water Block TTDA 3. It will be the deepest well ever drilled in T&T.

The depth is not the only matter of significance with Broadside. From all indications, if the well lives up to its promise, this will be a major upward shift for the industry and a positive indicator of massive yields from the country's other unexplored deepwater acreages.

BHP had success with its first deepwater well, LeClerc, in 2017—a discovery that came about at a time of increasing interest in exploration and production in the southern Caribbean—in the waters off T&T, Barbados, Guyana and Suriname.

But even for this country, with more than a century of involvement in the energy industry, deepwater is unknown territory and commercialisation will involve many challenges, so these developments will have to be monitored with cautious optimism.

At yesterday's briefing, Energy Minister Franklin Khan said the outlook for the sector in terms of productive capacity is positive, with production expected to stabilise by 2022.

This should be viewed against the bigger picture of the harm inflicted by COVID-19. Gas demand was already declining due to historically mild temperatures in the first months of the year.

The global projection is also for consumption to fall by four per cent this year because of the lockdown measures implemented in most parts of the world. Even with an expected gradual recovery in the markets in 2021, COVID-19 will continue to affect natural gas markets.

That brighter future for T&T's gas sector is, therefore, still some distance away, so the country's road to recovery requires a focus on economic diversification. It is a path on which T&T must remain since another energy boom is not likely and the global shift to renewable energy also has serious implications for T&T.

Yesterday's presentation suggests that the Keith Rowley administration is pinning some hope on BHP's Broadside and other deepwater programmes improving the country's economic prospects.



However, while there seems to be a bright future for T&T's gas sector, this nation cannot afford to shift away from the diversification that has already been put off for too long.