



Government of the Republic  
of Trinidad and Tobago  
**Ministry of Energy and  
Energy Industries**

# THE ASSOCIATION OF INTERNATIONAL ENERGY NEGOTIATORS



Thank you for the invitation to participate at this international energy summit of the Association of International Energy Negotiators. I appreciate the opportunity to address this esteemed gathering of some of the best International Negotiators who have shaped, and are continuing to shape, the global energy sector as we all navigate the rapidly evolving landscape. I stand here as a proud representative of the people of the Republic of Trinidad and Tobago and of the government of my country.

By way of introduction, Trinidad and Tobago is a twin island state which is located as the southernmost Caribbean island, a mere 7 miles off of the coast of Venezuela. We are 5,131km<sup>2</sup> (1,981 sq. miles) of land mass and we have been exploiting our hydrocarbon resources for almost two hundred years, with our first oil well being drilled in 1857 by Merrimac Company. We began utilizing associated natural gas in 1959 in the production of Ammonia and up to 2021 we were still the largest exporter of Ammonia in the world. We are a hydrocarbon economy and have in the past four decades developed a sophisticated gas sector that includes the production of Liquefied Natural Gas (LNG), Ammonia, Methanol, Urea, UAN. We also use gas in domestic manufacturing and electricity production. We are predominantly a gas based economy. However, we continue to produce oil at about 59,000 barrels per day and are working at increasing production of our crude.

I have taken the time to outline some background of Trinidad and Tobago's hydrocarbon sector to provide the contextual setting for my conversation with you today. I intend to discuss some of the live examples of how since 2015 to date, we have been navigating the various transitions taking place in the volatile global energy sector whilst protecting our hydrocarbon based economy during natural declines in our hydrocarbon production. We have had to negotiate with some of the most sophisticated stakeholders who are invested in Trinidad and Tobago, as well as to negotiate with sovereign countries in a geo-political climate that directly affects small Trinidad and Tobago.

I am an advocate attorney by profession; an utter Barrister, called to the Bar of England and Wales in 1997 as a member of the Honourable Society of Gray's Inn. I am also called to the bars of Trinidad and Tobago, the Commonwealth of Dominica and Antigua and Barbuda. I was a self-employed advocate attorney, a litigator, specialising in complex commercial litigation, public and constitutional law and other areas up until September 2015 when I was elected to the House of Representatives of the Parliament of Trinidad and Tobago. I have served in a number of different

## The Honourable Stuart R. Young, MP Minister of Energy and Energy Industries and Minister in the Office of the Prime Minister

delivers keynote address at the Energy

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of International Negotiators

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and Sustainability - A Caribbean Perspective"

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Cabinet portfolios since September 2015 including as the Minister of Communications, Minister of National Security, Minister in the Office of the Attorney General and now as the Minister of Energy and Energy Industries and Minister in the Office of the Prime Minister. Due to the priority and importance of our hydrocarbon resources and energy sector to our economy and country, the Prime Minister since 2015, Dr. the Honourable Keith Rowley, a geologist, a volcanologist, with a doctorate in geochemistry, has been keenly and actively overseeing our energy sector from the Office of the Prime Minister. I have been participating in, and leading active negotiations on behalf of the government in the sector as Minister in the Office of the Prime Minister, since late 2015, and from 2021 as the substantive Minister of Energy to date. It has been a very significant period for us as we have had to deal with unprecedented situations and claims associated with, inter alia, declining hydrocarbon production and expiring gas supply contracts after decades of growth. These unique circumstances coupled with the changes associated with the energy transition have presented us with many challenges all of which have required negotiations aimed at ensuring the continued revenue stability of Trinidad and Tobago's hydrocarbon economy.



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Our negotiations have been with the upstream oil and gas multinational companies, IOCs – including, bp, Shell, Woodside (formerly BHP), EOG Resources, the petrochemical producers of Ammonia and Methanol, including, the Mitsubishi group, Nutrien, the Proman group (who also have joint investments in plants with KOCH Industries and KOCH Minerals Services LLC) and Methanex Corporation. We have been navigating complex geopolitics whilst negotiating in the proverbial corridors of power in Washington D.C. and Miraflores Palace in Caracas, Venezuela as some examples.

Our gas sector began with the commercialisation of natural gas in the manufacture of petrochemicals in 1959. There are eleven ammonia plants in Trinidad and Tobago, with two ammonia complexes with a total annual production capacity of 5.2 million metric tonnes (MT). There are seven methanol plants in Trinidad and Tobago with a total annual production capacity of approximately 7 million MTs. We have an LNG complex in Trinidad, called Atlantic LNG, with four trains. The first train, Train 1, began production of LNG in 1999 and was the largest LNG facility in the world at the time. Train 2 commenced operations in August 2002, Train 3 in April 2003 and Train 4 was completed in December 2005 making it the largest LNG train in the world at the time and it produced first LNG in May 2007. The four trains are capable of producing 15 million MTs of LNG per annum. Unfortunately, Train 1 is no longer in operation due to a lack of a gas supply, which is one of the results of declining gas production over the past few years. The main shareholders of Atlantic LNG are Shell and bp, with the Government having an original shareholding of 10% in Train 1 and approximately 11% in Train 4.

BP and Shell are also the largest upstream gas producers in Trinidad and Tobago with bpTT currently producing approximately 1.3 billion cubic feet (bcf) per day and Shell approximately 650 million standard cubic feet (mmscf) per day with interest in supplying their shareholding in Atlantic LNG with gas for LNG production, whilst the government negotiates with them to ensure an adequate allocation of gas for our domestic petrochemical industry and our domestic electricity needs. Immediately, it can be appreciated that this is an area of divergent interests with our two largest upstream gas producers and the allocation of gas in Trinidad and Tobago.

Trinidad and Tobago's maximum gas production was in 2009 at around 4.2 bcf per day, due to natural decline and the complex geology of the province we are now down to around 2.7 bcf per day, this means that we have the immediate capacity in our various LNG and petrochemical plants to utilise approximately 1.5 additional bcf of gas per day.

One last point to be aware of with respect to Trinidad and Tobago and its gas value chain is that we have a NOC, the National Gas Company of Trinidad and Tobago which acts as the aggregator of gas, purchasing gas from upstream gas producers, bp, Shell, Woodside (formerly BHP), EOG Resources and some smaller producers of associated gas from oil production which it transports through its 1,000 km of pipelines and sells onto the petrochemical plants, domestic manufacturers and independent power producers. The role of this NOC has been critical to us as it derives direct value for the citizens of Trinidad and Tobago, extracting significant revenue for us since its inception in 1975 (incidentally, the same year as my birth). However, as I will explain, the existence and continued operation of this NOC has been a point of departure, and disagreement, between both the upstream gas producers and downstream petrochemical gas users, and the government, as the landscape changes, and the cost of gas increases. This has led to the complexity of our negotiations as we have sought to ensure continued value extraction, including revenue, for our citizens for their gas resources versus the proposition by others in the gas value chain,



who argue, that the National Gas Company should be removed and direct gas supply contracts should be permitted between upstream gas producers and the downstream end users.

I have attempted to provide you with an easily digestible snapshot of Trinidad and Tobago's energy sector in an effort to provide the setting for the examples of the variety of difficult negotiations that we have been conducting in Trinidad and Tobago with our stakeholders since 2015 to date.

When my political party won the general elections in Trinidad and Tobago in September 2015 and assumed the government, we unfortunately met a crisis in our energy sector that was unprecedented in our country's long hydrocarbon history. The previous administration between 2010 and 2015 had negotiated no new upstream gas supply contracts, there was significant gas curtailment that had begun to take place with declining gas production, this had contractual consequences against our National Gas Company (claims for damages), gas supply contracts between the National Gas Company and some of its customers in the petrochemical landscape had expired and new gas supply contracts had not been negotiated, they were simply rolling GSCs on a month to month basis with existing clauses for damages for gas curtailment, which meant that claims for damages were literally building against the National Gas Company on a monthly basis, instead of negotiating new GSCs with a removal of continued contractual commitments to supply volumes of gas that were no longer available.

The one new energy deal that was negotiated during the period of 2010 to 2015 had resulted in massive exposure for Trinidad and Tobago in the hundreds of millions of US dollars and the incentives that were introduced to purportedly encourage upstream gas exploration and production actually resulted in no revenue to Trinidad and Tobago for its gas from its largest gas producer until 2024. We were in a literal crisis and the main driver of our economy, our energy sector, was in deep difficulty.



Additionally, our NOC in oil exploration, production and refining, the Petroleum Company of Trinidad and Tobago (Petrotrin) was bleeding, and losing billions of dollars annually. If not urgently addressed, this situation would have led to sovereign rating downgrades which would have been detrimental to our economy. This NOC has an oil refinery that was designed to refine 120,000 barrels of oil per day but our oil production had dropped from 114,000 bopd in 2008, to 71,484 bopd in 2016, the costs of lifting oil by the NOC had made it unprofitable per barrel with the low oil prices from 2014 to 2016 and we were importing crude oil to supplement the refinery which added to losses that were unsustainable.

The responsibility fell to us to take the necessary actions to stabilize our hydrocarbon sector which was the most important part of our economy and the provider of the revenue necessary for us to sustain our livelihoods. It was a monumental task and the Honourable Prime Minister took on the responsibility from his office and I was tasked to assist, perhaps due to my professional background and qualifications of managing complex legal matters. Nevertheless, the main component of being able to successfully manage the crisis was down to negotiating with sophisticated stakeholders on many different fronts. It was about energy negotiations and building mutually beneficial relationships.

The first matter that required urgent attention was the conclusion of contractual arrangements with the Mitsubishi group and the Japan Bank for International Cooperation (JBIC). The former administration had negotiated with the Mitsubishi group to build a new methanol and DME plant in Trinidad and Tobago, the Massy group, and a 20% shareholding to be held by our National Gas Company, and the remaining 70% shareholding held by the Mitsubishi group, all to be financed by JBIC. All of the contracts, project documents and financial documents had been negotiated, and concluded, and the only outstanding issue to consummate the deal was a standard legal opinion to be issued by the Attorney General of Trinidad and Tobago. Upon coming into office, when we perused the files to conclude the deal we discovered that on the last working day before the general elections of September 2015, the public servants had taken the unusual and unprecedented step of marking the file in red ink and cautioning the Attorney General and the government, in writing, from concluding the transaction on the existing terms and conditions. I was tasked to look into the matter and along with the newly appointed chairman of the National Gas Company we discovered that the structure would potentially expose the National Gas Company to billions of USDs in claims from other petrochemical companies in Trinidad and Tobago. It also mandated the National Gas Company to carry the responsibility and to pay the whole debt to JBIC should there be any event of default whilst only being a 20% shareholder, and in such an event, the National Gas Company after paying the whole debt, would not even have the security, in the form of ownership, of the plant transferred to it.

The former administration, unbeknownst to the population had implemented a gas allocation policy called a **“greenfield gas policy”** which mandated that the National Gas Company would first allocate and supply gas to newer plants and curtail gas supply to older plants despite the contractual obligations in its various GSCs. This policy immediately exposed the National Gas Company to billions of dollars in claims for breach of its contractual supply obligations. On the other hand, it formed a critical component of the contractual arrangements that had been agreed with the Mitsubishi group and JBIC, which is owned by the Japanese government. This and the **“debt tail buy down”** component of the arrangement where the National Gas Company as a 20% shareholder had guaranteed to repay the debt to JBIC in the event of default, without even a transfer of the asset in such an event, were deemed, by us, to be onerous and unacceptable. We were forced to raise our concerns and expressed our position that we would not issue the Attorney General’s opinion. We were faced with a

situation where we could be accused of breaching the sanctity of contract which of course would have disastrous consequences for us as an energy based country where we had hundreds of contracts with IOCs and financial institutions (our sovereign debt arrangements). What ensued was a period of tense and difficult negotiations with the Mitsubishi executives from Japan and the Massy conglomerate executives to reopen these matters, and agree mutually acceptable terms. These negotiations were particularly difficult as we were legally bound by the existing terms, and a breach exposed us to a claim for damages, including liquidated damages. Eventually, we managed to negotiate mutually acceptable terms and conditions with the investor shareholders and now the hurdle was to get JBIC to agree to the new terms and conditions. It was determined, by the Prime Minister, that I should travel to Japan to conduct these negotiations face to face with JBIC’s executives.

I flew to Tokyo and met with the executives of the Mitsubishi group, representatives of the Japanese government and then conducted face to face negotiations with executives of JBIC. These negotiations were amongst the most difficult I have ever conducted in my professional career, made more difficult by having to conduct the discussions through a translator, in an environment that I had never been in before, and with all of the cultural differences that exist. I presented our arguments and was met with an eerie silence, followed by a question along the lines of what was the government of Trinidad and Tobago’s position on the golden rule of sanctity of contract. I responded in diplomatic terms and again repeated our request for a consideration of the changes. The meeting ended without any response to our request and I departed. The Mitsubishi executives were concerned and contemplated communicating directly with the Japanese government to register concern. I asked them to refrain from doing so and to allow JBIC another hour or two to contact us. Before the expiry of the two hour deadline, JBIC contacted us and indicated that they were prepared to agree to the amendments that I had proposed. The investors were overjoyed and celebrated that night in Tokyo. I departed Tokyo the following day, a two day turn around trip (something I could have done in my younger days, I am not sure I could manage such an experience now). We reversed the **“greenfield gas policy”**, completed negotiations of the documentation with JBIC, Mitsubishi and Massy and avoided billions of dollars in claims from other petrochemical companies. This methanol plant is now operational in Trinidad.

We were dealing with serious gas curtailment issues and the contractual effects of same. Trinidad and Tobago is a mature province and there had not been the level of investments in exploration and production to maintain the 4.1 bcf of gas per day. The failure to address these gas curtailment issues in the pre-2015 period led to claims for damages being made against our National Gas Company of approximately \$9 billion TTDs (US\$1.3 billion). Additionally, we needed to negotiate new upstream gas supply contracts with the IOCs and new downstream gas supply contracts with the petrochemical companies. The upstream and downstream contracts that had been entered into decades before, had begun expiring, and Trinidad and Tobago was a very different environment to what existed in the 1990s and 2000s.

Arbitrations were commenced against the National Gas Company by petrochemical companies claiming a right to renew GSCs on similar terms of volume of gas and prices of gas. This was taking place where the upstream IOCs were demanding, new and higher prices for future gas supply, and at lower volumes. We were essentially dealing with, and attempting to manage, a mismatch between upstream producers and downstream users of gas supply on both matters of volumes and price.

Ironically, it is worth mentioning that, the one arbitration that the National Gas Company lost, resulting in it having to enter into a new GSC with the claimant petrochemical company, was due to the fact that even with declining gas supplies, Trinidad and Tobago entered into contractual arrangements with Mitsubishi to build a new methanol plant. It was held by the arbitration tribunal that there was sufficient gas to renew the material GSC on same terms, including, unsustainable volumes and prices that were outdated (even though this was not the reality), simply on the basis of the new methanol plant being supplied with gas. This is an example of how bad negotiations without a proper appreciation of the wider implications could negatively affect a country’s energy sector management.



The National Gas Company was actively negotiating with the upstream IOCs for future gas supply. The IOCs were indicating that the gas volumes going forward were less and also that they wanted higher gas prices. They argued that they were taking the risks of exploration and production, and the downstream petrochemical producers had little risk, save for changes in the prices of their commodity products. The lower volumes at higher acquisition prices affected the gas value chain, and the downstream off-takers of the gas, i.e. the Ammonia and Methanol producers. In parallel, the National Gas Company had commenced negotiations with the downstream off-takers who were arguing that the lower levels of gas volumes at higher prices were unworkable. Once again, we found ourselves in rough waters and we were required to get involved. This was taking place during 2016 and 2017, when global commodity prices of LNG, Ammonia and Methanol had declined, which was an added complication as it was more difficult to negotiate GSCs, as a gas aggregator, when prices were low. Neither the upstreamers nor the downstreamers wanted to carry the risk of low LNG, Ammonia or Methanol prices. They both wanted the government, and the National Gas Company, to carry the burden of low prices and they also were not immediately willing to proportionally share the upside should prices rise.

We had to engage in tough negotiations where we knew that we needed the upstream IOCs to sanction new gas production to ensure future gas supply for downstream petrochemical companies who had to take future investment decisions. It is always difficult when negotiating these energy contracts to predict where prices would end up but one thing that was certain was that the days of former gas prices which were low, fixed and for over five years were over. Gas stakeholders in Trinidad and Tobago were forced to adjust their previous business models and expectations.

We eventually assisted the National Gas Company in concluding its GSCs with the IOCs, bp and EOG Resources in 2017. GSCs were also concluded with Shell and BHP (now Woodside) as well. However, there were lower volumes and the acquisition price of gas was higher than what had previously existed.

The National Gas Company's negotiations with the petrochemical companies were difficult as their expectations for a continuation of what had previously applied, i.e. low prices and full volumes of gas, could not be met as the landscape had changed based on what had eventually been agreed to with the upstream gas producers. We went through difficult rounds of negotiations, with downstreamers shutting down plants to pressure the government. Some used the local media in attempts to pressure us to cave in and agree to low, subsidised prices of gas. Some hired so called independent persons to write reports calling on the government to eliminate and remove our National Gas Company with a proposition that its continued existence would destroy our petrochemical sector. It was not an easy time nor a time for weakness. Media reports and the opposition personalized attacks on the Prime Minister and myself accusing us of collapsing the energy sector. Some whom we were negotiating against created a narrative that we had caused plants to be shut down and that we had collapsed the industry.

The National Gas Company was also dealing with the US\$1.3 billion in claims being made by these companies whilst negotiating new GSCs with them. Despite the pressure, we decided to hold strong and to rely on the principle that parties would share the risks of low commodity prices and share the benefits of the upside of high commodity prices, as prices are cyclical. We grounded our negotiations on the principles of fairness, respect and mutual sharing of benefits between all shareholders with a recognition that the people of Trinidad and Tobago were legitimate shareholders too and had a right to expect to share in the bounty.

We held firm and supported the National Gas Company in its negotiations. Some of the plants were decades old and not efficient and we were not prepared to apportion value for the citizens of Trinidad and Tobago, who ultimately are the owners of the hydrocarbon resources, by agreeing to the low subsidized prices that were being requested.

I recall an instance late one night, after hours and hours of face to face negotiations with the executives of a particular ammonia producer, the lead negotiator for the other side told the National Gas Company and myself that unless we agree to his request for a lower gas price, he would recommend to the owners that they relocate their plant from Trinidad to another jurisdiction. We had run the models and it was my view that he was attempting to over extract value and it had become a game of one upmanship for him. We had compromised as much as I was prepared to, and I called his bluff. I responded that I would arrange for government workers to assist him in dismantling the plant to ship it off. We broke for the night at that stage as it was tense and we had been going for hours. Before we departed, with an agreement to resume the next morning, I told the gentleman that I would make some calls that night to begin the process of mobilising crews to assist in the dismantling of the plant. When we resumed the next morning, the gentleman accepted the terms of our commercial proposal from the night before and the deal was struck.

I can report to you now, that by holding to our principles of fair prices and a fair sharing of upside prices, that we used as our principle throughout those negotiations, we were able to secure excellent returns for the citizens of Trinidad and Tobago in 2022 when ammonia and methanol prices reached highs as a result of the Russia/ Ukraine conflict. Had we caved in to the threats, media pressure, pressure from paid authors being quoted as experts and the pressure of losing investments in our energy sector we would have conceded those financial returns that the people of Trinidad and Tobago benefitted from to companies that made billions of dollars in profits.

I can also report that our National Gas Company managed to successfully negotiate the settlement of almost US\$1 billion in claims by adopting innovative terms and conditions. Again, this could only have been achieved with the support of the government standing with this NOC based on a belief that we have to stabilise our energy sector. The new GSCs that were negotiated eliminated terms and conditions that had previously led to mismatched claims for damages for gas curtailment which is a good and practical example of learning from experience when negotiating new contracts and not simply rolling over existing contracts.

A study, and analysis of our gas sector, and the value derived, was undertaken by consultants Poten and Partners, and amongst the matters that they reported to us was that there had been significant value leakage for our gas, via LNG trading, and the sale of LNG cargoes from Atlantic LNG. We considered the report, and decided that we needed to attempt to address the situation, by renegotiating the value being derived from gas used in the production of LNG, which was predominantly being traded and sold by the main shareholders, bp and Shell, who were also the largest gas producers in Trinidad and Tobago.

Upon his assumption into office in 2015, the Prime Minister had taken the responsibility to lead the government team when engaging the leadership of the IOCs in their boardrooms in London UK, the Hague Netherlands, Houston Texas USA and even Melbourne Australia. The Prime Minister believes in relationships being a critical component in negotiations, coupled with the concepts of fairness and mutual respect. I can safely say that these concepts have been consistently at the forefront of all of our negotiations in the energy sector to date, and furthermore, we have derived the benefits and tangible results that we have, as a consequence of their application.

In March 2018 we held a public conference which was covered by the media, and carried live on television. We titled it "Spotlight on Energy. Our Oil. Our Gas. Our Future." We used this occasion to highlight that we believed that there had been significant value leakage over the years and that there was the possibility of claims being made for billions of dollars for lost value. Whilst the Prime Minister acknowledged the sanctity of contracts, he submitted that he did not think that the particular contracts were so written in stone that parties could not agree to renegotiate terms. The dye had been cast. The message was received in London and in the Hague.



We met with the leadership of bp and Shell in London in April 2018 and made our case to them, separately, that we wished to renegotiate the measurement of value for our gas that was utilised in the production and sale of LNG. The leadership of both bp and Shell agreed with the Prime Minister, that all parties should establish empowered negotiation teams, to engage in negotiations aimed at establishing additional value for Trinidad and Tobago, without any admission of liability by bp or Shell, both of whom denied any value leakage. Their positions were that they had conformed to the applicable terms and conditions, of the existing contracts, but having regard to the importance and value of the relationships with Trinidad and Tobago, they were prepared to engage us. I was appointed co-chair of Trinidad and Tobago's empowered negotiation team along with then Minister of Energy, Senator Franklin Khan. The teams commenced negotiations in 2018 on a number of different matters including the extension of life of Train 1 which was coming to an end in 2018.

The government, bp and Shell engaged in tranches of complex negotiations which are bound by non-disclosure and confidentiality. Government retained Poten and Partners, White and Case and external local counsel to advise it and to participate on our empowered negotiation team. After months of multi-party and bilateral negotiations with bp and Shell we came to various agreements that resulted in Trinidad and Tobago tangibly benefitting. Some of the areas that we have successfully negotiated are that we now receive higher values for our gas where we apply a basket of indices, thereby spreading market price risk. We have negotiated a value that is based on more flexible arrangements which more accurately reflect the reality of the product movement into the various markets. We also negotiated extensions of Exploration and Production Licences and new terms and conditions of Production Sharing Contracts. In a nutshell, this initiative of the government has resulted in significant tangible benefits to Trinidad and Tobago as a result of negotiations.

In the meantime, we had to act on Petrotrin our NOC. It was bleeding money and we could not sustain the refinery operations without affecting our national debt rating. There was a bullet payment of US\$850 million via a bond that was coming due in 2018 and the auditors had also demanded that losses of over TT\$4 billion dollars that were being carried on the books be written off. This company was a part of the national landscape and employed thousands of unionised workers, but it was dragging our country down. We took the difficult decision to restructure the company and we retrenched all of the workers and paid them TT\$2.7 billion dollars. We exited the refinery business, shut down the refinery and restructured the company, creating a separate exploration and production company, a separate fuel trading company to import refined fuels for domestic and regional sales and a holding company to hold these two new entities and the former operating company, Petrotrin. We placed the refinery asset in another company and advertised for anyone with a supply of oil and interested in taking it over and restarting it, to come forward. This difficult decision that had been avoided by governments before has proved to be a success with the NOC's exploration and production now generating billions of dollars in revenue via taxes and royalties and it recently declared an after tax profit of TT\$ 1billion. This was a significant change in our energy landscape. We also restructured the US\$850 million debt twice with no government guarantee.

Back to our gas sector. Perhaps one of the most significant agreements that the government agreed to with our major IOCs, bp and Shell, was to restructure Atlantic LNG. We have been engaged in these restructuring negotiations since 2019 and in December 2022 we signed Heads of Agreement which set out the commercial terms of the restructuring. This is the first restructuring of LNG facilities of this nature in the world, it is unprecedented. We have agreed to new shareholding for bp, Shell and the government of Trinidad and Tobago. We have also agreed to permit third party access to the facility in a tolling type arrangement and a more favourable net back pricing formula which will result in better value for the people of Trinidad and Tobago. Currently we are working with our lawyers to settle the many thousands of pages of the definitive agreements which will complete this restructuring exercise and we hope to complete this by the end of Q3/ start of Q4 this year. I am particularly proud of these negotiations as they have never been done before. I look forward to the new restructured Atlantic LNG.

One of the areas that we have consistently been engaged in, which requires negotiations, is to continue securing future gas production. I can happily report that we have managed to achieve this by being prepared to listen to the IOCs and to work with them whilst ensuring that we derive fair benefits for the citizens of Trinidad and Tobago. There have been continued investments into exploration and production as a result of these negotiations. Some projects that are a result of these negotiations are, Shell with Colibri and Barracuda; bp with Matapal, Cassia C and their infill drilling; EOG has executed side tracked drilling and deeper drilling after agreement with the Ministry of Energy resulting in amendments to their E&P licences and PSCs; Woodside – Ruby/ Delaware and the deep water finds of project Calypso.

The story surrounding the investment in Ruby/ Delaware is worth telling. In May 2018 the Prime Minister whilst on an official working visit to Australia, visited BHP's head office in Melbourne and met with their executives. The Prime Minister made passionate submissions as to why BHP should sanction the production of its Ruby/ Delaware field. Weeks later upon our return to Trinidad and Tobago we received word that BHP was moved by the fact that the Prime Minister would physically visit them and advocate for the project and they believed with that level of commitment by the head of the government, and the arguments presented, that they were comfortable sanctioning the project and it went to production. This is yet another example of the commitment that the government of Trinidad and Tobago has shown in ensuring the continuation of our hydrocarbon economy.

Trinidad and Tobago borders Venezuela. We are seven miles from Venezuela. Venezuela sits on the largest known oil reserves in the world. We have a number of cross border fields with Venezuela and across the border there are significant proven gas fields in Venezuelan waters a matter of kilometres away from existing infrastructure in Trinidad and Tobago waters. In 2017, we negotiated a commercial term sheet with Venezuela to develop a significant gas field with 3 trillion cubic feet (tcf) of proven gas reserves, known as the Dragon gas field, and to bring the gas to Trinidad via 17 kms of pipeline, to one of our offshore facilities. We would then use this gas in our LNG and petrochemical plants. We had planned to start with 350 mmscf a day and this would have been flowing from 2020 save for the sanctions that were subsequently imposed by the US. We became the victims of the geopolitics surrounding our nearest neighbour. Unfortunately we are experiencing the collateral damage of the geopolitics.

There is a cross border gas field that we share with Venezuela, called Loran/ Manatee. This field has approximately 10 tcf of gas with 2.7 tcf in Manatee which is on Trinidad's side and the remaining 7.3 tcf in Loran which is on Venezuela's side of the border. This field had been the subject of a unitization development agreement. In 2019, we successfully negotiated with the Venezuelan government to permit us to commence the development and production of the Manatee resources giving us access to the 2.7 tcf of gas. We subsequently negotiated with Shell for Shell to produce Manatee an investment that is expected to be in the order of US\$1 billion.



With respect to Trinidad and Tobago's access to the Dragon gas field, both the Prime Minister and myself spent significant time and energy in the United States last year meeting with the decision makers in Washington D.C. from the President of the United States, President Biden (at the Summit of the Americas) and the Vice President Kamala Harris to congressmen and women on both sides, the leadership of the Departments of State, Energy, Agriculture and the Treasury negotiating and advocating for the grant of a waiver from OFAC for Trinidad and Tobago to produce the Dragon gas field with Shell as our partner. I personally made over 6 trips to Washington DC in 2022 and worked with our lawyers to pursue the application to OFAC. With the support of other leaders of the Caribbean Community (CARICOM), we pursued the ability to access this gas field as there is the immediate excess capacity in Trinidad for us to produce additional LNG, Ammonia and fertilizer products and Methanol once we can produce the gas field, thereby contributing to energy security in the CARICOM and wider region. We would be able to provide additional LNG supplies to CARICOM countries and even Europe as it looks for alternatives to Russian gas.

OFAC granted us a waiver on January 24 of this year and Trinidad and Tobago has been pursuing negotiations with the government of Venezuela to obtain a licence to produce the Dragon gas field. This particular project is caught in the world of geopolitics and requires the most delicate of negotiations including, but not limited to, further and on-going negotiations with the United States and Venezuela. I look forward to us being able to bring this project to fruition.

The deep water province in Trinidad and Tobago is the next frontier for gas exploration and production. Our shallow waters have been exploited for decades and are in decline. We have been in active negotiations with Woodside on fiscal and commercial terms to commence the production of a deep water block where hydrocarbon resources have been found. This project called Calypso holds the medium term future of Trinidad and Tobago's gas production. We have had to be innovative, and to think outside of the box, as we engage in these negotiations. Again, the benefit of relationships and mutual respect have assisted in growing Woodside's interest in pursuing this resource. We are in on going discussions in pursuance of this development and these discussions have certainly had a positive impact on Woodside's allocation of internal resources to the project. We will continue negotiations and I look forward to a sanctioning of the development and production.

The Ministry of Energy has been negotiating with bp and Shell as a joint consortium on other deep water blocks and I look forward to the conclusion of those negotiations in the coming weeks.

Like every responsible hydrocarbon country we have been taking decisions with respect to reducing green house gas emissions and pursuing new energy projects.

We recently turned to sod for the commencement of the construction of a solar project that will produce 112.2 MW of power which is 10% of our power needs in Trinidad and Tobago. This project is a joint one with bp and Shell who have shown continued commitment to Trinidad and Tobago. We intend to pursue more solar projects to reduce our emissions and also to permit us to use the gas saved to generate revenue for Trinidad and Tobago. We are also exploring the use of wind turbines for power generation. These renewables projects would also feed into the recently Cabinet approved construction of our first green hydrogen project which will be done under the direction of the Ministry of Energy.

We are actively looking at Carbon Capture Sequestration and Utilization to do our part in carbon reduction but also if done properly and in a PPP with our petrochemical stakeholders it could provide them with the opportunity to blue their products thereby keeping them competitive in the changing energy landscape.

I mention these measures to assure you that Trinidad and Tobago, whilst focusing on evolving and protecting our gas sector, and even ensuring that we extract the last drop of oil to sell, is also ensuring that it pursues the energy transition and has the components of new energy in our mix.

I have spent a lot of time providing you with much detail as to the energy negotiations that Trinidad and Tobago has been participating in our pursuit of energy security and sustainability and I would like to thank you for the opportunity and for your attention. I look forward to participating in future AIEN initiatives. I am grateful for the privilege of representing my country and sharing our experiences with you.

