



[LIQUEFIED NATURAL GAS \(LNG\)](#)

|

[INTERNATIONAL](#)

|

[CERAWEEK](#)

|

[CRUDE OIL](#)

CERAWeek: Trinidad Energy Minister on LNG Restructuring, Venezuelan Gas Supply

Stuart Young, Trinidad and Tobago’s Minister of Energy, discussed with Hart Energy at CERAWeek by S&P Global, the restructuring of Atlantic LNG, the geopolitical noise around inking deals with U.S.-sanctioned Venezuela and plans to source gas from Venezuela and Suriname.

By Pietro D Pitts, Hart Energy Thu, 03/28/2024 - 01:04 PM



"We've opened up the market outside of others who are already in the market in Trinidad because there's third-party access of gas to Atlantic," said Trinidad and Tobago’s Energy Minister Stuart Young at CERAWeek in Houston. *(Source: CERAWeek by S&P Global)*

Trinidad and Tobago’s Minister of Energy and Energy Industries Stuart Young sat down with Hart Energy at CERAWeek by S&P Global to discuss the restructuring of Atlantic LNG, the [geopolitical noise around inking deals with U.S.-sanctioned Venezuela](#) and plans to source gas from Venezuela and Suriname.

Pietro D. Pitts, international managing editor, Hart Energy: You've restructured Atlantic LNG, but looking at recent ministry data, Train 1 is still offline. So, what was accomplished with the restructuring if Train 1 is still offline? Was it all worth it?

Stuart Young: Atlantic LNG, you have to recall, is decades old now. Train 1 was the first train to come on around 1995, and had reached the end of the 30-year liquefaction license. We were at the cusp of restructuring conversations with [BP](#), [Shell](#) and at the time CIC, Chinese Sovereign Wealth Fund, who also had a 10% [interest] in Train 1. The truth is, as we've said very openly since 2011, domestic natural gas production in Trinidad has declined. So there simply were not enough molecules at the time for Train 1. And then of course the way these companies operate, the commercial arrangements for [Trains] two, three and four were continuing for them. Whilst we believe that initially there was some excess gas in particular that NGC [National Gas Company of Trinidad and Tobago] had available that we could have put through Train 1 that didn't come into reality. But what we did as the Prime Minister [Keith Rowley] said within recent times is we used Train 1 as a negotiating part of the package to restructure the whole thing. So yeah, Train 1 is offline. [I don't see Train 1 coming back online](#), but that's something that we negotiated away. We've gotten across two and three where we never had a shareholding before. We had 11% in four. What we've done is we've now got a 10% shareholding across the whole of Atlantic, and the whole of Atlantic now is [Train] 2, 3 and 4. That kicks in from October of this year. Our shareholding has gone up because if you had done a pro rata, we would've been down about 5%. We've gotten 10% and we haven't had to pay out, pay any money for that. So that's the first part.

The second part is what we've done with the formula we use for restructuring. We've opened up the market outside of others who are already in the market in Trinidad because there's third-party access of gas to Atlantic. Of course, when people are looking now at future gas E&P, one of the off takes they want is LNG. Now Atlantic LNG, with what we've restructured and negotiated, allows for third-party access. So that now allows other players, not only in Trinidad but also regionally to say, 'Hey, if I explore and produce gas, I have a market to take it to, Atlantic LNG.' That's big. That opened up the opportunity for future investment in upstream. For example, [Woodside](#) with Calypso, that was part of my thinking behind our restructuring, is it now allows somebody like Woodside who is exploring the deep, there's a potential for the deep right now we're working through the commercial and fiscal terms for it. [Also] you could get a play now, LNG, which as you know, [Woodside is growing itself as an independent](#) into that global LNG competition and doing quite well at it.

What it also does is it allows a conversation with the cross-border gas, as we've been doing with the EU. [We've said] 'hey Trinidad now has an opportunity to become part of your diversified gas supply.' Because of course when you're in their positions, you don't ever want to find yourself dependent on one source of gas again. Whilst the U.S. has been able to step in there, they are looking for a diversified gas portfolio. We've had very good conversations with the EU and they now understand the potential that Trinidad has once it has the access of cross-border gas into LNG. But of course, that wouldn't have existed before the restructuring.

Now what we've done is we've restructured it in such a way that the shareholders, BP and Shell, now have an extension of life in a facility that they're now partnering only with the government. It's just BP, Shell and the government and that gives them the incentive to continue investing in Trinidad, both in country which they're doing, but also now across as well and looking in the rest of the region. What it really did is it freed up the opportunity and it attracted more opportunities for investment in gas. It is remarkable because now in the market, what we've also been seeing in Trinidad and Tobago, if you have gas, you could literally monetize your gas immediately in Trinidad in an LNG play, an ammonia play, a methanol, urea, UAN [Urea Ammonium Nitrate] play. There are very few places in the world that have existing infrastructure with capacity. We've turned this around. We have capacity, what do we do to now attract investments in the market, because you could monetize the gas that you bring to the market in a diversified portfolio.

PDP: If you get your production or total gas supply back up above 4 Bcf/d, would Train 1 come back into play or is it really now let's just talk about Train 2,3,4, ammonia and methanol?

SY: Right now, the conversation is [Train] 2,3,4, ammonia and methanol, but if what we've been working on in the past few years, if they all come to fruition in last quarter of 2026- 2027, you now begin to have conversations about plants are now back up to capacity. What is the next investment that can be made? In particular, if regional gas starts coming to Trinidad and in particular if there's some additional stuff we're working on with Venezuela and some of these big multinational oil and gas players, if those

come to play, you start looking at, okay, do we build a new train or engineering wise, can something be done with Train 1? But I suspect by then very little could be done on Train 1, but you'd also want to be investing in the new technology because it would be decarbonizing, it will be clean technology, which Train 1 wasn't because of course it was constructed in 1995.

PDP: Could you give us an update on bid rounds in Trinidad and Tobago?

SY: The last bid round that we did that was successfully concluded was the onshore/near-shore bid round. We had an over subscription for that. We've awarded the blocks, they're just a couple that we're still negotiating some terms with the preferred bidders. That went well. We're right now out with the shallow water. The PS [permanent secretary] in the next couple of weeks from the Ministry of Energy is leading a contingent to London because there's been a lot of interest in our shallow water bid rounds. The Cabinet agreed to extend the date to give us a little bit more space. But another thing, we revised the PSC where we've made our PSC, our production sharing contract terms a lot more attractive in line of where we are as a province. I'm expecting a good subscription and some good tenders to come in. We had some new people buy bid round packages and looking at it, but until it's closed, you never know. I'm keeping my fingers crossed until then.

PDP: Guyana has a lot of oil and some gas. The initial response about getting that gas from Guyana to Trinidad was the pipeline is too long, it's not feasible. Suriname could also be a potential source of oil and gas. Which country are you eyeing now as a potential gas for Trinidad?

SY: Both the prime minister and I spoke at the Guyanese Energy Conference just a few weeks ago and basically summed it up. Trinidad is open for business. We offer the opportunity for the quickest monetization of gas. Right now, [Guyana is still in a negotiation with Exxon Mobil phase](#). One wonders how much gas availability there is. A pipeline would be feasible and it wouldn't be from Guyana. What we're discussing and what we've been discussing with Suriname is a pipeline up from Suriname because it appears as though the blocks that are bordering Guyana and Suriname are really gas blocks more than liquid blocks. Right now, it's looking at the feasibility of how much gas exists there to then do financial feasibility, which on the back of the envelope it is possible to build a pipeline all the way up from Suriname passing through Guyana and Venezuela. You can have tie-ins at all of those jurisdictions to bring gas to market in Trinidad. It's a simple proposition and it is for the governments to decide what it is they're going to do with their resources for them to negotiate.

But our proposition is the quickest way to monetize your gas — bring it via a pipeline that we can all be partners in to build up an onshore based industry, especially in the current global climate.

PDP: Just to confirm, this would be a completely onshore or offshore pipeline?

SY: Offshore. This is the offshore fields and for example, if people were to decide from a policy point of view to go that route, you're looking at a pipeline offshore to bring gas from those various jurisdictions straight to plants.

PDP: Where do you stand in terms of tapping Dragon gas from Venezuela and when do you expect to finally have your first molecule coming from Venezuela?

SY: The first molecule can't come quick enough. The Dragon one is a done deal. What you saw towards the end of last year, on Oct. 17, the U.S. government through [OFAC](#) gave a full green light for a two-year period. That OFAC specific license is completely [separate to General License 44](#) [and] allows the government of Trinidad to work with Shell to bring Dragon gas through and that expires at the end of October 2025. A significantly long enough period to get this done and to take FID [final investment decision]. That was the first step.

The second step was on Dec. 21 last year, where we secured, we have in hand, it's been published in the Venezuelan Gazette and in accordance with [Venezuelan] laws, a 30-year E&P license for Dragon. The Dragon gas field is now an E&P license to Trinidad through the angles of Shell and NGC. That exists. So right now, there is work to be done. I've met with Shell during this week [about] how quickly we [can] get a survey ship in there? We're hoping to have the award of a contract for a survey ship to just give us the latest data and then you can determine where wells will be drilled, et cetera, by the end of April of this year. That's very, very soon. There's progress made there. As far as I'm concerned, Dragon is a done deal. You have elections in Venezuela in July, you have elections in Washington, D.C. in November of this year. And those are two important elections. But we have the blessings of the U.S. government and whilst we are working with Venezuela to keep everything on track, that's it with Dragon.

What you're already seeing is us pursuing other projects with Venezuela. So last week I was in Caracas, [Venezuela,] leading a team with BP to develop the cross-border field of Cocuina-Manakin and we're seeking the license of Cocuina. I've never seen it work so quickly. Right now, we're negotiating the terms for the license for Cocuina, Manakin is on the Trinidad side. You have Shell about to declare hopefully the FID on Manatee, but everything is progressing there. Another conversation will have to be very soon, Loran, which is 7 Tcf of gas. The only logical place for the gas to come to is Trinidad. I've already begun those conversations with the Venezuelan government in a very favorable manner. We see Venezuela as a partner for the future, a partner now and we will continue to work with them, the U.S. government and to work with the EU Commission to make these things a reality.

PDP: When we talk about Dragon, it's part of that Mariscal Sucre project, which includes three other fields. Back in the day former [PDVSA](#) President Rafael Ramirez told me [Mariscal Sucre could produce around 1.2 Bcf/d](#). Is that something you guys are always looking at as well?

SY: Absolutely, and we've already started preliminary conversations. In this industry and especially dealing with the whole geopolitics of it all, I keep saying let's stay focused on one at a time. We stayed focused on Dragon. People thought that would never get done. Hey, it's gotten done from the paperwork point of view, now it's time for the engineers to bring, as you say, the molecule to market. We're now focused on Cocuina-Manakin, you have other things I'm discussing with them that they're very, very anxious to get done but one at a time. But it would make sense from the time. I am certain and willing to take a bet that first molecule that comes across, that's the beginning of everything because everybody will say, 'the only way it makes sense to monetize Venezuelan gas,' and we have a partner with them is to bring it across to Trinidad. All of those fields that you've described and that you know about, it would be sensible to bring it.

PDP: Is there still a discussion around all of the gas that's [being flared in Eastern Venezuela](#)?

SY: We are looking at that as well because there's about 1.8 Bcf/d of gas being flared. The conversation with all our partners is that's immediate [methane reduction](#). Let's capture the gas, let's compress the gas, let's strip what needs to be stripped from the gas, and so that conversation has begun.

PDP: From the outside looking in, one sees Venezuela under U.S. sanctions, the Russians and Chinese still in Venezuela, while [Chevron Corp.](#) is the last standing U.S. company there. Then one sees neighboring Trinidad negotiating with Venezuela. In a heated geopolitical environment, which is Venezuela, you've been in discussion with the U.S. and Venezuelan governments, is there anything that worries you or are you feeling very confident in discussions from both sides?

SY: There's a constant element of uncertainty because as you say is the geopolitics of it. But what I can say is Trinidad is well respected by the government of the U.S. I mean we've been in constant conversation, and this week alone I've had some excellent conversations with the U.S. government. We remain engaged with the government of Venezuela, we engage with the EU because they have understood now that there's an alternate supply of gas. They like the methane project as the methane reduction project: the flared gas as a particular one. In life there's very little certainty on anything. But what we've managed to do is be the honest broker in between all of these huge political geopolitical entities. And it's our credibility, our reputation. We've seen one get across a line and I'm sure we'll continue to see others.

PDP: Any fears about a change of U.S. government and whether that could derail what you've been doing to date in Washington and Caracas?

SY: I mean, again, we wait and see. We will continue to be engaged with whoever is [in] the U.S. government. The current administration has been a great partner, but let's wait and see what a U.S. election brings. But that is always, with every democratic country, you always have to factor in what could happen after an election and you just pick up yourself and you do the work. You continue to do the work regardless of who's there. As we said in the height of the sanctions against the President [Nicolas] Maduro government. Hey, when you pick up the phone and you call Miraflores, it's whoever answers the phone, that's who you deal with. And the U.N. had to acknowledge eventually and quite earlier actually that it's the Maduro government.











 Save Article