



**GOVERNMENT OF TRINIDAD AND TOBAGO
OFFICE OF THE PRIME MINISTER**

FEATURE ADDRESS

by

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Prime Minister Of The Republic Of Trinidad and Tobago

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Of

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Investing in The Future: A Path to Sustainability and Innovation

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It is my pleasure to address you possibly as the last time as the Prime Minister of the Republic of Trinidad and Tobago. I take this opportunity to thank the Energy Chamber for the opportunity to address this esteemed conference that has grown in leaps and bounds since its inception. You have set a high bar that many of the region's recently established energy conferences are seeking to emulate. Congratulations on the sterling work you are performing, and I have no doubt that this year's Conference will be the usual productive and rewarding event to all visitors and participants.

As a person who has delved extensively in the science of rock formations, the energy sector has always been of great interest to me both from a geological perspective and also because of the historical role that nature has played in the development of the modern Trinidad and Tobago.

The discovery and commercialization of oil in the early part of the 19th century set Trinidad and Tobago onto the road to economic

development. The exploitation of our hydrocarbon resources has continued unabated to the benefit of the people of Trinidad and Tobago. Hydrocarbon-bearing sediments have spawned and facilitated an exponential growth in living standards and economic opportunities. Per capita income which was US\$703 at independence in 1962, had risen to US\$18,333 by 2023, which is only second to the year 2022 when the per capita income was US\$19,629. GDP over the post-independence era also reflected significant growth from US\$0.62 billion to US\$28.14 billion by 2023, largely on the backbone of earnings from the hydrocarbon resources.

We are a tiny nation, both in terms of territory size and population size yet Trinidad and Tobago's industrial model has been adopted by several emerging oil and gas economies as a blueprint for their economic development. However, at home our efforts which initiated and drove our economic development are often taken for granted. Trinidad and Tobago has one of the highest

per capita income in Latin America and the Caribbean. Globally, as of 2023 Trinidad and Tobago was the largest exporter of anhydrous ammonia and the second highest exporter of methanol. The country is also ranked within the top twelve producers of LNG worldwide. It is the earnings and operations of these and similar products that support the healthcare, education and social security systems which sustain the quality of life that citizens in these islands have come to know.

The economic development that Trinidad and Tobago has achieved is no mean feat. In part we have been blessed by significant hydrocarbon resources, which have been judiciously exploited and managed for the benefit of the people of Trinidad and Tobago. This has been facilitated by a programme of training and the development of a services sector that meets the standards and requirements of the oil and gas industry.

Importantly we have been able to attract world-class companies in the upstream and downstream sectors of our energy

industry. To quote a former energy executive “investment goes where it is welcomed”. In the upstream, we are host to global leaders such as BP, Shell, Perenco and EOG Resources. In the downstream sector, we have companies such as the Proman Group, Yara, Methanex, Koch, and Nutrien who are all global leaders in their respective industries. This is testimony to the accommodating investment environment that exists in Trinidad and Tobago.

Whereas we welcome investment it must not be to the detriment of Trinidad and Tobago. We recognize the right of investors to a reasonable rate of return and likewise investors must recognize our sovereign right to an equitable return on the monetization of our hydrocarbon resources, which by nature are wasting assets.

When we took office in 2015, domestic oil and gas production was declining and the industry confidence was low, approaching despair. The global energy industry prices were at the lowest in

years with oil prices averaging US\$50 per barrel and a Henry Hub gas price that averaged US\$2.61 per mmbtu. This impacted heavily on the contribution of the sector to the national Treasury, as was highlighted at the “Spotlight on the Economy” forum held on September 27, 2017, at this very venue. It was mentioned then that energy sector revenue had fallen to 1.2% of total Government revenue. The global environment was not the sole reason for the sector's low financial returns to the country. It became evident that the country was forfeiting a significant amount of revenue from the marketing of its natural gas as LNG. This was substantiated by UK Consultants Poten and Partners in the Gas Master Plan which was laid in Parliament in June 2017.

Suffice it to say, as a responsible Government, we took immediate action to put the industry on a sound financial footing and on a sustainable path. This necessitated difficult yet essential decisions and strategic actions. I was very pleased to lead these discussions with all the decision-makers as we sought listening

ears and built relationships. These contacts in London, Houston, Melbourne, Amsterdam and The Hague were very fruitful and soon the industry regained its confidence, leading companies to pledge ongoing investments in activities across the spectrum.

However, all was not well with the State Energy Company, Petrotrin. Its production levels in its mature fields were plummeting, it was overburdened by huge, accumulated debts and the most favourable forecasts were for ongoing billion-dollar losses in an environment where the national treasury could not assist further without great peril to the whole economy. Based on the advice of the then Board of Directors and a Government appointed technical Committee, the company was restructured into separate business units and the refinery was put up for sale or lease as the Government continued to keep and service upwards of \$450 million USD of Petrotrin debt.

Government's decision to restructure Petrotrin has been vindicated by the performance of the operating companies,

Heritage Petroleum Company Limited and Paria Fuel Trading Company. From its inception Heritage has been profitable with annual net profits in excess of TT\$1.0 billion for most of its short history. Its success has enabled the company to contribute TT\$ 7.75 billion towards debt service of the TPHL Group over the period commencing 2019 to 30 June 2024. Additionally, from inception to date, Heritage has paid TT\$13.33 billion in taxes and other payments to Government. Simply by changing the business model from importing and refining crude to one of producing and selling unrefined oil we have moved our bottom line from dangerous chronic losses to solid profitability.

Paria likewise has returned a profit each year since its inception. Effective cost management measures, operational efficiencies, favorable market prices and expansion of the bunkering business have been responsible for the company's financial success. The Government has been the recipient of corporation tax and green fund levy of TT \$1.2 billion, from Paria,

since the startup of operations on December 1st, 2018, up to September 30th, 2024.

With regard to the refinery bids, the first offers were found to be less than satisfactory and were aborted. Following a review of the criteria, expressions of interest were re-invited for the sale or lease of the Guaracara refinery and its ancillary assets. The expressions of interest were evaluated by an Evaluation Committee comprising industry professionals from whose recommendation, three companies were shortlisted. The next phase of the process comprises the submission by the companies of firm proposals and negotiations with the Evaluation Committee for selection of the most suitable company. It is anticipated that the negotiations will be completed before the end of February 2025, hopefully with an announcement of the selected company, shortly thereafter.

Having firmly and carefully addressed the issue with Petrotrin, its operations and its financial sustainability, the Government

focused on revitalizing the other elements of the domestic energy sector, with particular emphasis on the upstream sector. Although confidence had been restored in the industry, inertia still existed. On March 14, 2018 at the “Spotlight on Energy” forum the Government, outlined its strategies to address gas related issues and to put the industry on a sustainable path, which included engagement of major energy stakeholders. Through such engagement there has been a renewed commitment by companies to deepen their investment in the domestic energy sector. Investment in the energy sector, which slowed due to the covid pandemic, is projected at a healthy US\$10.2 billion over the period 2024 to 2027 as compared to approximately US\$6.0 billion for the preceding four years.

The industry has regained its momentum with a suite of exploration and development activities onshore, in shallow water and in deep water taking place concurrently. It is anticipated that the increase in upstream activity will arrest the decline and

significantly improve the production of oil and gas. The Minister of Energy and Energy Industries in his address to the Conference will provide in-depth details of these exploration and development activities.

As a small petroleum economy Trinidad and Tobago has no influence on commodity markets and is therefore a price taker. Global energy prices can be very volatile and can negatively or positively impact Government's revenue. In part due to the then low energy prices, energy sector revenue which fell to 1.2% of total government revenue in 2017 has since rebounded. Driven by extraordinarily high energy prices, energy revenue exceeded 50% of total government revenue for fiscal 2022 and 2023 and 30% of total government revenue in fiscal 2024 as energy prices softened.

While we have no control on global energy prices it is imperative that we enter into the most favourable pricing arrangements for our hydrocarbon resources. It is to this end, in 2018 we initiated discussions with the major stakeholders, Shell

and BPTT on gas related issues. The outcome of these discussions was a commitment to continued investment in the upstream sector, financial benefit to the State in the sum of US\$1.48 billion and the restructuring of Atlantic LNG.

A key feature of the Atlantic LNG Agreement is the adoption of market related pricing for gas sold as LNG. This new pricing for Train 2 and Train 3, after extensive technical reviews and negotiations, came into full effect from October 1, 2024, and from May 2, 2027, for Train 4. Based on the new pricing arrangements revenue accruing to Government from the marketing of LNG is projected to increase twofold. There is also for the first time access to third party gas. The lack of access to the LNG Trains has been an impediment in attracting new upstream operators to Trinidad and Tobago. With this impediment removed we anticipate a greater interest in our deep-water which due to the high cost of exploration and development requires the pricing that LNG typically provides.

The last decade has had its challenges, low energy prices and delayed upstream investment exacerbated the gas situation. It became clear early in this Government's term that our known natural gas reserves would be unable to fully meet the requirements of the downstream companies and Atlantic LNG. The practical solution was to look outside our border where fortunately large unutilized proven reserves exist. I refer here to Venezuelan gas which the Government of Venezuela was agreeable to its monetization in Trinidad and Tobago. A joint venture project the Loran-Manatee and the Venezuelan Dragon Gas field were sanctioned for development and monetization in Trinidad and Tobago. In 2018, a term sheet was finalized for gas to be supplied from the Dragon field and a development plan for the Loran-Manatee field was being prepared by the exploration and production companies. However both initiatives were curtailed due to sanctions imposed by the US Government, which blocked US companies from doing business with the Venezuelan energy company, PDVSA.

Geopolitics can work for you or against you. In 2022 due to the Russian- Ukraine conflict Henry Hub gas price averaged US\$6.45 per mmbtu as compared to US\$3.83 per mmbtu in 2021 and the WTI oil price averaged US\$94.53 per barrel as compared to US\$68.17 per barrel in 2021. This impacted positively on our energy revenue. The sanctioning of the Loran-Manatee and Dragon projects was not in our best interests. The 2018 US decision denied Trinidad and Tobago access to Dragon gas field which was projected to come on stream in 2020 and sterilized Loran- Manatee project.

Given the country's critical gas supply situation the matter had to be resolved. In order to access gas from Trinidad's Manatee field we sought and received in 2019 the agreement of Venezuelan Government to delink the Venezuelan Loran field from the Manatee field. Following the delinking of the gas fields and agreement between the Government and Shell on contractual arrangements for the Manatee field final investment decision was

taken. The project is underway with production due to come on stream in 2027 at 600 mmscf per day. The development of the Manatee field provides a pathway for the monetization of the Loran field with its reserves of 7.2 tcf of gas in the future. The turnaround in the Manatee project is an example of the alacrity with which this Government is progressing from decision making to execution.

For decades it has been confirmed that there are gas fields on the border, shared by Venezuela and Trinidad and Tobago. As per normal arrangements under these circumstances, the initial approach was to try to facilitate joint exploitation of these reserves. For 15 years this exercise was pursued but brought us no nearer to getting gas to shore. As declining T&T reserves became more critical the Government had to act on very many fronts.

One of the main decisions taken by this Government was to approach the Government of Venezuela with a firm proposal to have both countries abandon the unitization approach to exploiting cross border fields. By obtaining early agreement on this idea, it

opened the door for swift access to the Loran-Manatee field followed by other similarly placed deposits.

The Government, with the support of CARICOM and the Dominican Republic also simultaneously requested a review by the US Government on the sanctions on the Dragon gas Project. Following discussions and negotiations with US Government officials, the US Office of Foreign Assets Control (OFAC) approved a request by Trinidad and Tobago to waive ongoing sanctions against Venezuela to allow for the development of the neighbouring Dragon gas field. This was followed by a 30 year licence between Venezuela and Trinidad and Tobago that grants selected operators, Shell and NGC, the right to produce and export gas to Trinidad and Tobago. Additionally, in May 2024 GORTT received an OFAC licence to pursue, with Venezuela, the exploitation and development of hydrocarbon reservoirs of the Manakin-Cocuina Field. The exploration and production companies have been undertaking preparatory work to bring Manakin-Cocuina and

Dragon Projects, which cumulatively possess 5.2 trillion tcf gas, on stream in the shortest interval.

The Government in collaboration with the Government of Venezuela and our energy stakeholders have made great strides in advancing the development of both the Dragon Project and the Manakin-Cocuina Project. We will be seeking to engage and apprise the new US Administration of the importance of these projects not only to Trinidad and Tobago but to the energy security for the region.

Energy security is a major issue for the majority of countries in the Caribbean with oil and gas accounting for 60% of the energy needs of the region. There is an opportunity for the petroleum producing countries in the region to pool their resources and optimize their monetization using existing infrastructure to the benefit of the resource owner and wider community. As a region susceptible to the effects of climate change, pooling of resources will contribute to reducing the carbon footprint of the region.

It is this principle that governs economic co-operation between Trinidad and Tobago and Venezuela and which we have extended to Guyana, Grenada, Suriname and Barbados, CARICOM partners with whom we have signed Memoranda of Understanding to facilitate future cooperation and collaboration in energy matters. Our energy assets comprising, LNG assets, ten ammonia plants, eight methanol plants, are not all operating at full capacity due to gas constraints. We also have a mothballed and preserved oil refinery, for which bids are currently being evaluated to conclusion. These existing international grade investment structures are available to our Caribbean neighbours and other participants to monetize their hydrocarbon resources. Given the careful detailed work that has been concluded on our efforts to restart refinery operations it is the expectation that Cabinet could soon be in a position to receive and sign off on the recommendations from the Technical Evaluation Committee which has been hard at work for the last few months.

The global oil and gas sector is currently at a critical juncture. The interplay of global energy demand, climate change, financial decision-making and swift technological advancements is transforming the industry. This changing landscape offers both significant challenges and remarkable opportunities. Trinidad and Tobago has long been a leader in this business and will continue to be so as we make the urgent and necessary adjustments, even in turbulent geopolitical waters.

Notwithstanding anything else, the oil and gas industry remains a cornerstone of global energy supply, even as it faces increasing pressure to evolve. In 2025, economic factors such as fluctuating demand, geopolitical tensions, and investment patterns will shape the industry's trajectory. Global energy demand is growing steadily, largely influenced by Asia-Pacific's energy needs, industrial expansion and the interest in natural gas as a cleaner alternative, especially in developing countries.

Mc Kinsey & Company, the well-known American consulting and strategy firm, in its September 2024 report, projected that fossil fuels, including oil, natural gas, and coal, will continue to continue to play a role, in the global energy system to 2050, meeting between 40 and 60 percent of global energy demand in 2050. McKinsey further advised that investment and capital flow into fossil fuels are required for at least the next ten years to ensure the global energy system can keep up with demand. We, in Trinidad and Tobago, have resolved not to be left behind but instead to ensure that we get our share of the available investment in all our prospects whether they be inshore, cross border or across the border.

Offshore drilling in particular is projected to play a significant role in global energy supply, as next-generation drilling platforms offer faster setup and fewer emissions. Global investment in offshore drilling is projected to increase from US\$43 billion in 2025 to US\$64 billion by 2030. One notable trend in the

ongoing offshore revolution is a large increase in deep-water and ultra-deep-water drilling. For us this is of particular interest since we are currently turning our gaze into these horizons which only now are able to attract the necessary technical examination and required investment. Deepwater oil and gas production is set to increase by 60% by 2030 and contribute 8% of overall upstream production, according to a new report from Wood Mackenzie, a leading global data analytic firm.

As it stands Trinidad and Tobago's deep-water province is largely unexplored but coming into view. Therefore, we stand to gain from the increase in exploration in deep-water, globally. The recent exploration work conducted in the deep-water area by Woodside has confirmed the prospectivity of our deep-water province. Of the fourteen exploration wells drilled eight were successful in discovering hydrocarbons. Following an evaluation of these discoveries, the Calypso project was developed targeting 3.5 tcf of reserves in Blocks TTDA 14 and 23(a).

Incidentally, if you do hear any of the contrived misinformation about our work and attention to the deep and ultra-deep horizons of T&T offshore acreage, please ignore it, as the idle chatter that it is.

Along the way there has also been strong unsolicited interest in our deep-water province. The Ministry of Energy and Energy Industries has reviewed such requests and received Cabinet approval for a new deep-water bid-round which was launched on January 27, 2025.

We have embarked on an ongoing programme of bid-rounds as the competition for upstream investment grows with countries pulling levers from fiscal terms to regulatory streamlining to attract oil and gas companies, which, reacting to shareholder pressure, are adjusting their energy transition targets to enable continued investment in oil and gas.

Our marine area, in particular the South East Coast, has been a prolific producer of oil and gas. We are optimistic that the current

exploration programmes and especially the deep-water exploration will have a similar success. Trinidad and Tobago, as a coastal state signatory to the UN Convention on the Law of the Sea has had the opportunity to submit a claim to enlarge its jurisdiction in the maritime sector. We are currently seeking to delineate the outer limits of the country's continental shelf, beyond two hundred nautical miles from which the breadth of the territorial sea is measured . If successful, Trinidad and Tobago will be in a position to exploit the natural resources to be found on that extended portion of its continental shelf.

Based on recent audits the country's prospective crude oil resources have been estimated at 3.2 billion barrels and prospective gas resources at 58.84 tcf. In recent years we have undertaken several bid-round programmes in order to exploit these resources, with a view to alleviating gas curtailment and improving oil production.

The current domestic oil and gas production are not what we can be comfortable with but we are confident that myriad, sustained initiatives we have taken will bring much needed relief to gas consumers and increased oil production in the near to medium term.

Oil and gas production will receive an uplift in the short term with the coming on stream of wet gas from the upcoming BPTT and EOG Projects. However, the major game changers, in the short to medium term are Shell's Manatee Project, Woodside Calypso Project, the Venezuelan Dragon and Loran gas fields and the cross-border Manakin-Cocuina project. The Minister of Energy and Energy Industries and officials of his Ministry are currently taking steps to make these projects a reality at the earliest opportunity.

While our main focus is on oil and gas, we recognize that renewable energy has a role to play in our energy mix not only as a source of energy but also in our strategy to reduce our carbon footprint. Global renewable energy is currently 30 per cent of

primary energy and is projected to reach 50 per cent of primary energy by 2050. Major energy companies are investing in solar farms and hydrogen energy, diversifying their portfolios. The industry, historically known for its significant greenhouse gas emissions, is now transitioning to a greener paradigm, integrating eco-friendly roles that aim to minimize oil and gas operations' effects on the environment. This shift is not only a response to regulatory pressures but also a reflection of the growing awareness of the oil and gas sector's crucial role in the global economy and its responsibility towards energy consumption patterns and environmental stewardship.

As a Government that has always been at the forefront of change we are taking steps to ensure that we are a part of the green revolution. Solar energy has been identified as the leading contender for utility sized developments. The Solar PV project of Lightsource Renewable Global Development Limited, Shell, and BP Alternative Energy Trinidad and Tobago Limited is scheduled

to be commissioned this year with a capacity of 92.2 MW. The Ministry will be also issuing RFPs for the development on designated non-utilized state lands for Solar PV Utility Projects with potential of up to 300MW. As regards Hydrogen, the Ministry of Energy and Energy Industries and National Energy are developing a hydrogen pilot project which is due to come onstream in 2026.

As we diversify our energy mix we must have the cadre of energy professionals to service the industry. Our institutions of higher learning such as UWI and UTT are taking steps to ensure that our energy professionals are in the forefront of development in the transition to clean energy. In particular, UTT is working with the Energy Chamber and other companies on AI-related projects under the "Shaping the Future of Innovation" grant, an initiative which is a collaboration between the Government, the EU and the IDB, with CARIRI as the executing agency.

With acceleration of climate change there is an urgent need for the implementation of measures to reduce carbon dioxide

emissions. Carbon capture, utilization, and storage technologies have emerged as critical components in the effort to reduce CO₂ emissions. The Ministry of Energy and Energy Industries, in collaboration with UTT, UWI, BPTT and Shell, has undertaken a project to map and quantify the capacity of depleted hydrocarbon reservoirs and saline aquifers for the storage of CO₂ or enhanced oil recovery. In parallel with this sequestration initiative a Cabinet Appointed Work Group is currently updating the Draft Policy on Carbon Capture and Storage for consideration and subsequent adoption in law as Government's policy.

Renewable energy is central to our objective of reducing the country's greenhouse gas emissions. However, our foreseeable future remains in the oil and gas market, as long as such a market continues to exist as projected by all international experts. Nevertheless , it is possible to envision oil and gas production that leverages clean power to decrease costs and maximize production while reducing environmental impacts.

In the current climate sustainability is now central to the industry's agenda. The future will be defined by the industry's ability to adapt to renewable energy trends while addressing its environmental challenges. The technologies are there to enable the industry to become more efficient, safer and to optimize resource management. Artificial Intelligence and the Internet of Things can reduce emissions by providing real-time monitoring of equipment and pipelines, by optimizing energy usage efficiency and in the designing of effective carbon capture and storage systems.

Both the Government and Energy Industry have a role to play in combating climate change. The integration of adaptation planning and implementation of strategies aimed at the mitigation of greenhouse gas emissions will reduce the industry's exposure to carbon transitional risks. It is, therefore, important for the Government and Industry to collaborate on greenhouse mitigation measures to ensure that the financial benefits derived from

upstream and downstream sectors are not eroded by carbon pricing mechanisms.

As a Government we are committed to accountability and transparency in our actions. It is as a result of Government's commitment to good governance that the TT Extractive Industries Transparency Initiative in its latest publication reported that Trinidad and Tobago Energy Sector is the highest transparent energy sector in Latin America and the Caribbean and the fourth most transparent globally. We are very proud of this record and will not easily allow misinformation, whether from local or foreign sources, to tarnish our good work and good name. In 2018, at the "Spotlight on Energy" forum, we informed the national community of the actions that we planned to take to revitalize the energy industry, and we delivered. Now I can leave you in the good hands of our industry and our government.

Today the domestic energy industry is experiencing a resurgence which is being fueled by a new wave of exploration and development activity. The ongoing activities in the upstream sector, encompassing onshore, shallow water, and deep-water regions in Trinidad and Tobago, as well as the cross-border marine area in Venezuela, are unparalleled and augurs well for the future of the industry. It speaks volumes to this Government's unwavering commitment to place the energy sector on a sound footing and as well as the confidence that stakeholders have had in measures taken by Government to turnaround the industry. Therefore, as I depart from office, I feel a sense of achievement in having my team address the challenges we encountered upon my arrival in 2015, and I am optimistic about the future of the energy sector, which is in good hands.

I am indeed thankful for the cooperation we, in Trinidad and Tobago, have received from all our industry partners, too many to single out but you know who you are, both current and past executive leaders.

In closing, I would like to express my sincerest gratitude to the Energy Chamber for the leadership that you have fostered and for the honor you have afforded me to address this very distinguished audience and to extend my best wishes for another successful conference.