



Government of the Republic of Trinidad and Tobago

Ministry of Energy and Energy Industries

Keynote Address

by

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and

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at the

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Investing in Our Energy Future: A Path to Sustainability and Innovation

I am privileged once again to deliver the keynote address to this distinguished audience at the Energy Chamber's Annual Conference. Allow me at the outset to put on the record that it has been an honour and a privilege to serve as Trinidad and Tobago's Minister of Energy over the past 4 years.

On behalf of the Government and citizens of Trinidad and Tobago, I extend a warm welcome to all attendees and hope that your participation is both significant and informative. Congratulations are also in order to the Energy Chamber for hosting this gathering of regional and global energy stakeholders to harness their collective experience and expertise in charting the way forward in what is an unpredictable but exciting global energy industry.

The Conference continues to expand its horizons by equipping participants with insights into major transformations within the global energy space, facilitating networking opportunities, and offering potential solutions to the dynamic challenges encountered by the energy sector. This year's theme, "**Investing for the future**" is relevant in light of the current ebbs and flows faced by the international energy sector. In today's discourse, I will concentrate on the present momentum within the domestic energy sector towards achieving long-term growth much of which I am proud to say that this Government has played a leading role in securing.

Today, we stand at a crossroads in the energy sector facing unprecedented challenges but also unparalleled opportunities. As we navigate this complex landscape, it is imperative that we invest aggressively but prudently for a sustainable future. We are witnessing a significant shift in global energy dynamics. Climate change, geopolitical tensions, and technological advancements are reshaping how we produce, consume, and think about energy. **The path forward requires not just vision but concrete investment and a belief in our destiny. I say, without fear of contradiction, that what we have done to propel and secure Trinidad and**

Tobago's future in the sector has been indicative of confidence in our country and reflective of unparalleled competence.

According to the World Economic Forum, rapidly industrializing upper-middle income economies with growing energy demand will need to navigate potential trade-offs between climate mitigation and socioeconomic development. The climate transition and its socioeconomic effects vary across countries due to their distinct contexts; however, many nations face comparable challenges and may pursue similar strategies for achieving an equitable transition. In 2024, although clean energy investments outpaced historical growth rates, the increase is insufficient to reduce the rising demand for fossil fuels or to replace current fossil fuel usage. Consequently, fossil fuel demand is projected to rise by over three million barrels of oil equivalent per day this year.

According to Rystad Energy's 2025 Energy Outlook, global upstream investments are anticipated to decrease by 2% in 2025, indicating a stabilization following the significant growth experienced earlier in this decade. Investments in deep-water projects are forecasted to rise by 3%, propelled by advancements in Guyana, Suriname, Mexico, and Turkey. The global demand for liquids is projected to increase by approximately 1 million barrels per day, with NGL and other liquids expected to contribute an additional growth of over 300,000 barrels per day next year. This demand will be influenced by significant technological and fundamental global trends that are expected to affect international energy markets in the upcoming year.

Trinidad and Tobago as a small oil and gas producer will be impacted by these global trends. The global movement to clean energy has resulted in Government taking steps to diversify and strengthen our energy sector. However, this has not been at the expense of oil and gas, which are the mainstay of our economy and will remain so

for the foreseeable future. Our strategy has been to accelerate the exploitation of our oil and gas resources which is in keeping with industry trend and the market requirements.

You would have observed the Government's aggressive interventions in our sector as we completed back-to-back bid rounds under my tenure negotiating and awarding new contracts even though we are a mature province. We pushed our upstream gas producers to work with us spurring a resurgence of real investment in Trinidad and Tobago. We also receive better returns on our natural gas for our citizens as a direct result of work we began in 2018 securing prices for our gas that have averaged 15-55% higher than the traditional Henry Hub and other outdated indices. We respectfully negotiated and obtained that basket of indices that now includes Asian, European and liquid's pricing as the new and accepted formula for our gas.

In its June 2024 publication the International Energy Forum maintained that more investment in new oil and gas supply was needed to meet growing demand and maintain energy market stability. Based on the global energy outlook it estimated that a cumulative \$4.3 trillion in new investments will be needed between 2025 and 2030 to ensure adequate supplies due to growing demand and cost inflation.

This augurs well for Trinidad and Tobago as the global energy industry has seen a turnaround by oil majors who have cut back on their renewable plans and shifted their focus to their oil and gas segments. As a consequence, there remains a strong interest by energy companies in proven hydrocarbon provinces. In the global scenario Trinidad and Tobago as at December 2024 ranked within the top twenty-five of global gas producing countries. In last gas reserves audit conducted by independent petroleum consultant DeGolyer and McNaughton the countries P1 and C1 technically gas reserves stood at 11 tcf but could rise to a potential of 20 tcf with the conversion of other technically recoverable quantities. Exploration resources

stands at 58.84 tcf and offer much promise for the exploration to be undertaken by successful companies in the recent bid-rounds.

In keeping with our strategy to maximize the exploitation of our hydrocarbon resources we embarked on a series of bid rounds which comprised blocks in our deep-water, onshore and shallow-water. All of our recent bid rounds have resulted in the grant of production sharing contracts or exploration and production licences to the successful bidders. The outcome of the grants and licences will result in an upsurge in level of domestic upstream activity over the next five years. Activity is already rising and taking place in particular over the past 12 months all of which we, the Government, had significant roles to play in.

In 2023, Production Sharing Contracts were issued to a Consortium of BP Exploration Operating Company Limited and BG International Limited (Shell) for Blocks 25(a), 25(b) and 27. In the first phase of the exploration which ends in 2025 the Consortium will conduct among other surveys a total of 1990 square kilometres of 3D seismic across the three deep-water blocks. Subject to the results of the survey the Consortium has committed to a well programme in a second phase with a combined investment of US\$128,370,000 over a three-year period. Preliminary estimates indicate a potential of 2.04 tcf of natural gas within these blocks and over 400 million barrels of liquid hydrocarbons.

We saw the completion of a programme of seismic surveys in 2024 on these three deep water blocks followed by the immediate contracting of the same specialized vessel to conduct seismic surveys over Manakin-Cocuina literally a few weeks after we secured the licence for that field from the Government of Venezuela. This amazingly was followed by the surveying of a shallow water block days after we completed the negotiation and execution of a PSC for the block with Shell. That is a

perfect example of the current state of our energy sector. Unprecedented and reflective of confidence and competence.

The issue of acreage for exploration continued with the Onshore Bid Round for which bids were received for eight of the eleven blocks on offer. Following an evaluation process licences were issued to the successful bidders for the Aripero, Buenos Ayres, Charuma, Ciperio and St Mary's Blocks in June 2024 . The Exploration and Production Licences are for a period of six years during which the licences are required to undertake work programmes which comprise geological studies, the acquisition and reprocessing of seismic data and the drilling of wells. In the first two years, the licencees have undertaken to reprocess 1826.22-line kilometres of 2D seismic data and 152 square kilometres of 3D seismic data. The licencees have also committed to drill at least twenty-five new exploration wells with depths ranging from 1,000ft TVD to 9,000ft TVD. The drilling programme commences with two exploration wells within the first two years of the licences and intensifies with 23 exploration wells in the remainder of the six-year term. An estimated sum of US\$ 84,266,000 is expected to be invested in the onshore exploration and production programme.

In 2023, bids were also invited for thirteen shallow water blocks. Three (3) Bidders namely EOG Resources Trinidad Limited, BP Exploration Operating Company Limited and BG International Limited (Shell) submitted six (6) bid proposals for four (4) of the blocks on offer. Following an evaluation process Production Sharing Contracts were granted to EOG Resources Trinidad Limited for Blocks NCMA 4(a) and Lower Reverse L, to BP Exploration Operating Company Limited for Block NCMA2, and to BG International Limited for Block U(c).

It is noteworthy that Shell contracted a seismic vessel that was in Trinidad and Tobago conducting other missions to immediately shoot seismic on Block U(c) and

that those 2 PSCs with EOG are the first new ones for EOG in 20 years in Trinidad and Tobago. Again, I am proud of our work in getting these done.

These companies have committed to work programmes which comprise geological studies, the acquisition and reprocessing of seismic data and the drilling of wells. In the first phase of the programmes or within 3 years, the companies have undertaken to reprocess 506 square kilometres of 3D seismic data, the acquisition and processing of 700 square kilometres of 3D seismic data with the intent of developing a portfolio that would lead to the drilling of exploration wells. Based on the work programmes submitted one exploration well is to be drilled in the first phase in Block 4(a) and potentially one exploration well in each of the other blocks in the second optional phase. The estimated capital expenditure for the shallow-water exploration and development programme is in excess of US\$1.0 billion with first gas projected to come on stream over the period 2029 to 2036.

As we continue to align with our strategy to optimize the utilization of hydrocarbon resources, we are pressing on with our bid round programmes. We believe that the global outlook on fossil fuels, especially concerning oil and gas, has shifted, as leading energy firms have reduced their investments in renewables to concentrate on the more profitable, and needed, oil and gas sectors. It is essential for us to capitalize on this opportunity and continue our efforts to aggressively attract upstream investment. While the bid round has served as the primary method for securing such investments, we are also receptive to out of bid round proposals. We have shown an ability to work with established upstreamers to ensure the energy security that our country needs.

Our deep-water province holds the greatest promise for major oil and gas discoveries. In the recent exploration activity conducted in the deep-water by

Woodside, eight of the fourteen wells drilled resulted in an in-place discovery of approximately 10.8 tcf of natural gas with an estimated 7.2 tcf being potentially recoverable. At present the Ministry of Energy and Energy Industries is in discussion with Woodside on plans to develop 3.5 tcf of reserves in gas fields within its Calypso Project.

There continues to be a strong interest in the undeveloped acreage in the deep-water as the prolific Guyana-Suriname Basin is a south-east extension of our eastern deep and ultra-deep marine areas. In light of the strong interest in the deep-water the Ministry identified potential prospects and developed a package for a 2025 Deep Water Competitive Bidding Round which was launched on January 27, 2025. The Bid Round covers twenty-six blocks situated off the eastern and northern shores of Trinidad and Tobago. This bidding process will close on July 2, 2025, with the announcement of successful bids three months following the conclusion of the bidding round.

Our exploration programme is aimed at ensuring the sustainability of our energy industry. It is as a consequence of such initiatives that new projects such as BPTT Cypre Project and the Mento project, a Joint-Venture between BPTT and EOG have been realized. Mento will be a 12-slot, manned facility located in acreage jointly licensed by bpTT and EOG off Trinidad's southeast coast. First gas is expected in 2025.

It should be highlighted that our direct intervention and concerted efforts secured the fabrication of the Mento platform and jacket by TOFC, in La Brea. Additionally, as soon as the platform and topside sailed from TOFCO's yard the work on Manatee began. There was no fabrication work at TOFCO between 2009 to 2017. It was this Government, when we came in, in September 2015, that repeatedly advocated to the board rooms in London, the Hague and Houston to use our local fabrication yard and

fortunately due to the strong relationships we built the work restarted in 2017 with Juniper.

Cypre is bpTT's third subsea development. It will include seven wells and subsea trees tied back into bpTT's existing Juniper platform via flexible flowlines. The Cypre gas field is located 78 kilometres off the southeast coast of Trinidad within the East Mayaro Block. First gas is expected in 2025. Each project has the capacity to deliver up to 300 million standard cubic feet per day. Cypre was sanctioned by the bp leadership at a meeting in London with the Honourable Prime Minister Dr. Rowley and me, like many of our recent projects, as a direct result of our intervention, advocacy and the strong relationships that we built from 2015 to now.

The next major phase of upstream development will comprise BPTT Ginger Project, the joint venture between BPTT and EOG in the Coconut Project and Shell's Manatee Project. The development costs for the projects are in excess US\$3.0 billion. The Manatee development will consist of an offshore Manatee platform with 12 well slots. The jacket for the Manatee is currently being constructed by TOFCO. First gas from the projects is due in 2027 and at peak they will deliver cumulatively in excess of 1 bcf of gas per day, with Manatee accounting for approximately 600 mmscf per day. To accommodate the gas production from Manatee, Shell is upgrading its Beachfield facility from 350 MMscf per day to 1 bcf per day. Further, Perenco which recently acquired three BPTT gas fields is set to expand its gas portfolio with development of the Onyx gas field which located its Poui-Teak field, subject to final investment decision. What these developmental activities reaffirm is that Trinidad and Tobago is still a productive hydrocarbon province. Based on these projects gas supply is projected to increase significantly by 2027.

A question that will arise for us as citizens of Trinidad and Tobago this year will be, “who do we trust, who has the proven competence to manage our energy sector and continue securing our future?”

The Trinidad and Tobago gas picture is not complete without the inclusion of gas from across-border fields in Venezuela. In December 2023, the Government of Venezuela granted a 30-year licence for the development of the Dragon field. This initiated a technical and commercial assessment of the Dragon development, resulting in a draft development concept. Work is currently in progress in achieving Final Investment Decision (FID) with a view to the first gas production by 2027. 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, a cross border field between Trinidad and Tobago and Venezuela. The estimated gas reserves of the Manakin-Cocuina Field amount to 1 Tcf with two-thirds of the reserves in the maritime area of Trinidad. In July 2024 we successfully finalized negotiations with the Venezuelan government, which granted a 20-year licence to NGC and BPTT for the development of the field’s gas resources. Following the award of this licence, BPTT and NGC conducted seismic data over the entire Manakin Cocuina field. The exercise to evaluate the data is expected to be completed by third quarter 2025 and will determine the number of development wells to be drilled. The development cost of the project is approximately US\$1.0 billion. Peak production rates are expected to be 300 mmscf per day and all of the gas is to be sold to industries in Trinidad and Tobago.

Ladies and gentlemen, these historic arrangements, as you know, are the result of the direct work, efforts, foresight, strategic execution, diplomacy and negotiating skills that we brought to bear. It is easy for those without any responsibility to

attempt to water down these efforts and results but you in the sector know the reality and what it means for us here in Trinidad and Tobago.

Our activities in the exploration and production of crude oil and condensate are anticipated to see significant growth over the next few years. Overall crude oil and condensate production is projected to increase from an average of 50,357 barrels per day in 2024 to 81,773 barrels per day by 2028. The increase in production will be driven substantially by the increase in condensate, primarily from BPTT Cypre and Ginger gas fields and in its joint-venture with EOG in the Mento and Coconut gas fields. Crude oil increases are due to Heritage's new drilling projects and workovers, in particular its four well drilling campaign for the Soldado East field and an increase in Perenco's production due to its new 37 km, 10" pipeline from the Teak Alpha. We have also been putting pressure on Heritage to partner with those companies in the industry that have the ability, experience, equipment, wherewithal and appetite to drill and produce oil.

The upstream initiatives are expected to underpin the future sustained growth of the energy sector. We have no control over global energy prices and therefore the focus is on improving domestic production whether through fiscal incentives, mechanisms such as bid rounds and through international co-operation as currently exists between Trinidad and Tobago and Venezuela and potentially with other Caribbean countries. However, due to climate change the energy sector is evolving and renewables are set to play a major role in the energy mix. The power sector represents the first major initiative towards clean energy. The country's first utility scale solar project, an investment in excess of US \$100 Million, is a testament of our commitment to clean energy. The commissioning of the Brechin Castle Solar Plant, Project Lara, is the country's first major step in incorporating renewables in our

primary energy mix. Wind Energy is the other renewable energy source that is being targeted. Through technical support of the European Union and in collaboration with our state agency National Energy, the MEEI is currently engaged in the conduct of an onshore Wind Resource Assessment Programme, aimed at producing bankable data to inform a future onshore wind auctions.

The renewable energy initiatives are key components in the establishment of a green hydrogen economy. There are currently two green hydrogen projects at different stages of development. National Energy is leading the design and implementation of a Pilot Green Hydrogen project aimed to determine a feasible levelized cost of green hydrogen. The project is scheduled to be commissioned by 2026. There is also a commercial green hydrogen project explored by HDF Energy, a company with over 5 Billion Euros of projects under development; in partnership with local company, NewGen Energy Limited.

However, investment in clean energy is not insignificant. The Caribbean Development bank noted that regional energy security will need scales of investment of minimum US\$1.2 Billion annually to achieve the region's goal 47 per cent contribution from renewables by 2030. As Small Island Developing states we are saddled with financial decisions to address our energy security and resilience needs within our own unique contexts. Investment in these sectors require strategic international partnerships with the public and private sector to unlock opportunities for clean energy. Given that transitional risks arising from carbon pricing will materialize it is important the domestic energy undertake or partner with Government to reduce substantially their greenhouse gas emissions.

Our energy sector is at a point of regeneration with renewables becoming a part of the domestic energy mix. However, oil and gas are critical to our energy

transformation by providing secure and affordable energy during the transition. We, therefore, are committed to the optimum exploitation of our hydrocarbon resources despite calls in some quarters for the cessation of exploration in the industry. This has been vindicated by the decision of many of advanced petroleum economies who continue to offer blocks for exploration as well as the decision of energy companies to refocus their efforts on oil and gas.

I am confident that the suite of exploration and development activities that are in train in the short to medium term will deliver the level of production required to sustain the domestic energy industry. Although oil and gas remain dominant energy sources clean energy such as solar, wind energy and green hydrogen are emerging as significant contributors to the domestic energy landscape. This is a positive development both environmentally, and commercially, as the gas saving can be redirected where there are shortfalls. In conclusion, the outlook for the domestic energy is positive. Yes, there will be challenges, this is a feature of the global industry, but as we have consistently proved, we are up to the task.

Ladies and gentlemen, at this stage, allow me the indulgence of getting a little personal. I would like to use this opportunity and platform to single out a particular patriot in the room. Someone who believes in Trinidad and Tobago and its potential. Someone whose eyes always lit up whenever seismic interpretation and rock structures were the topics of conversation. Someone who championed the balancing of returns for citizens of Trinidad and Tobago from our natural gas resources, whilst respecting those who invest billions in the sector to make it happen. A man who had the faith in our ability to negotiate the future of ALNG, pricing, the Petchem industry, cross border deals and who supported me when leading some of the most difficult negotiations ever undertaken in our sector, I would like to invite you to join me in thanking Dr. the Honourable Keith Rowley for all that he has done for Trinidad

and Tobago's energy sector as our Prime Minister for the last nine and a half years. Thank you sir. Join me in giving him a standing ovation.

In closing, congratulations are due to the Energy Chamber for successfully organizing yet another Conference. Your continued excellence has solidified this event as a key fixture in the energy sector's calendar. It was an honor to speak at the Conference, and I wish all participants a fulfilling experience.