

Oil and Gas Review & Outlook

First Citizens

Annual Market Outlook Seminar

Thursday 3rd February, 2011

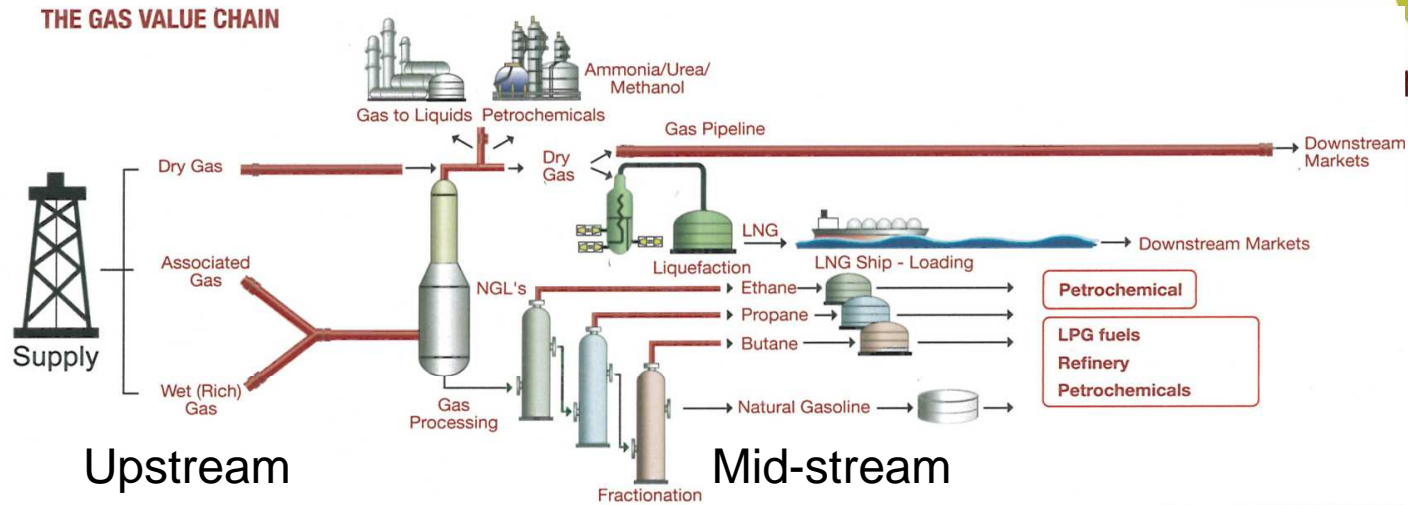
Royal Hotel, San Fernando

Overview

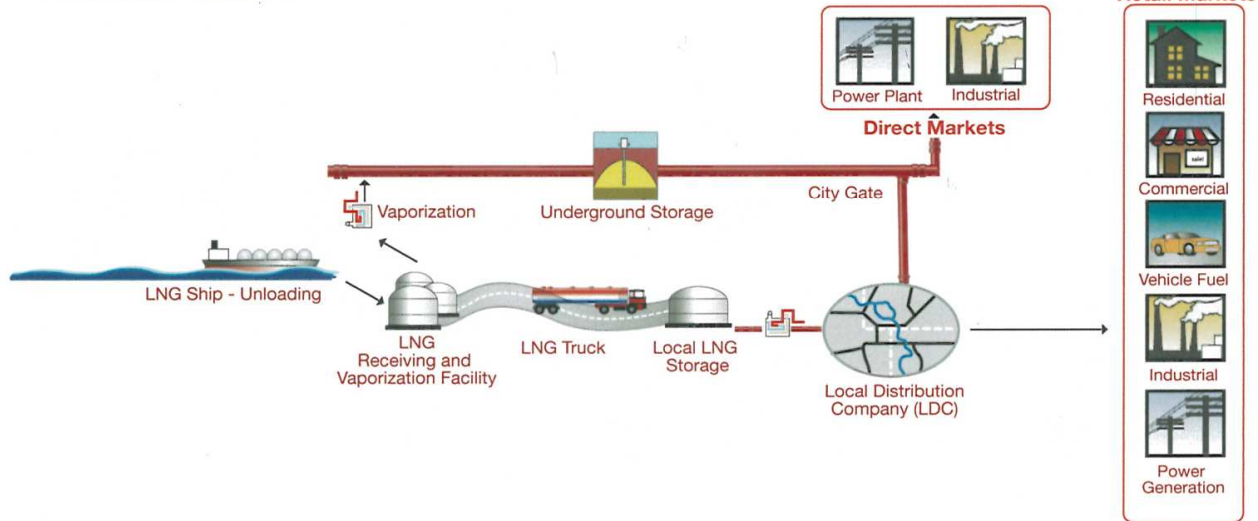


- Description of the Oil & Gas Sector
- Production levels/Reserves
- Market Structure and Utilization
- Global Trends
- Local Projections of Gas Supply and Demand
- Investment and Project Activity
- Local Investment?
- Suggestions

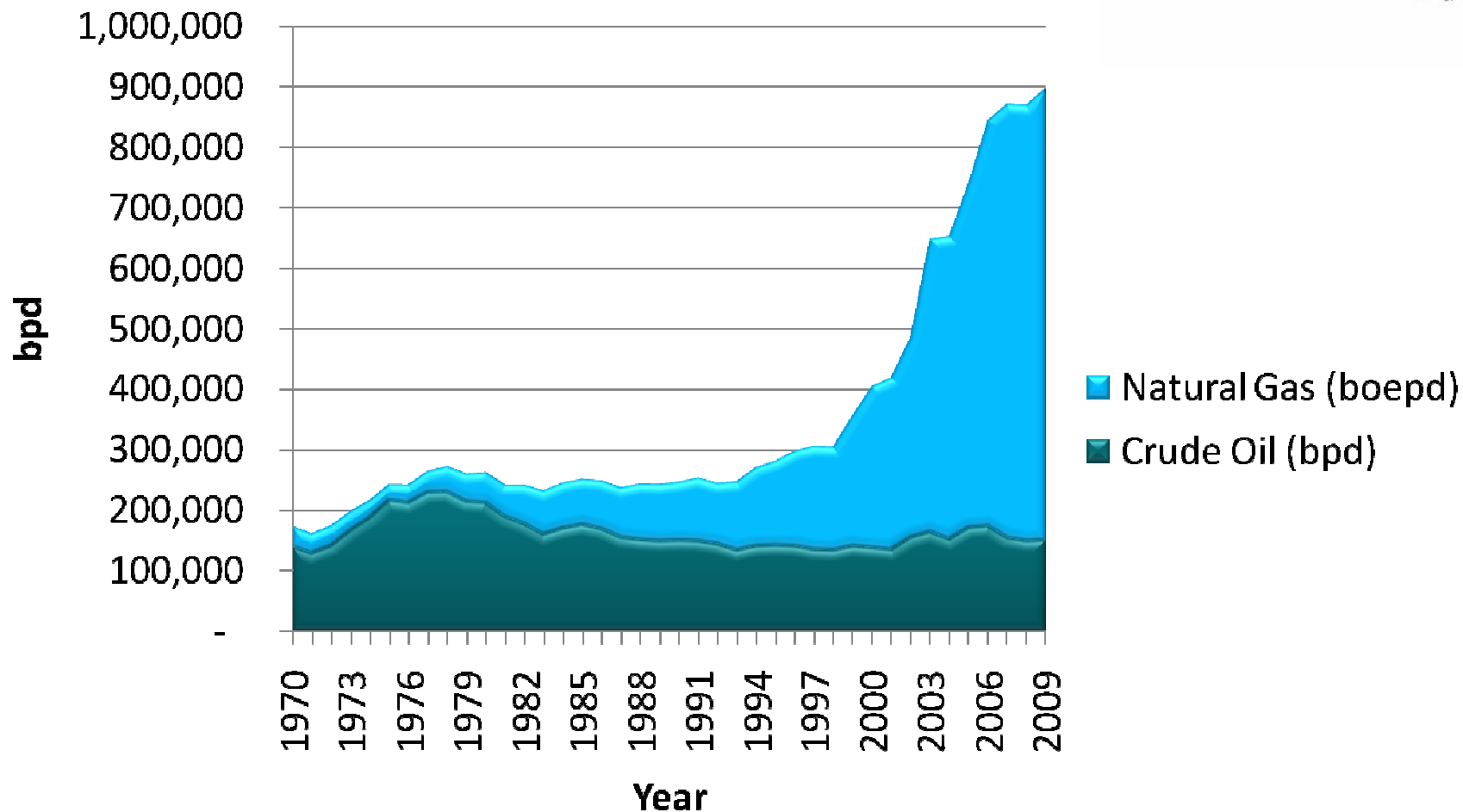
The Gas Sector



Downstream Gas Sector



Trinidad & Tobago's Oil and Gas Production from, 1970 - 2010

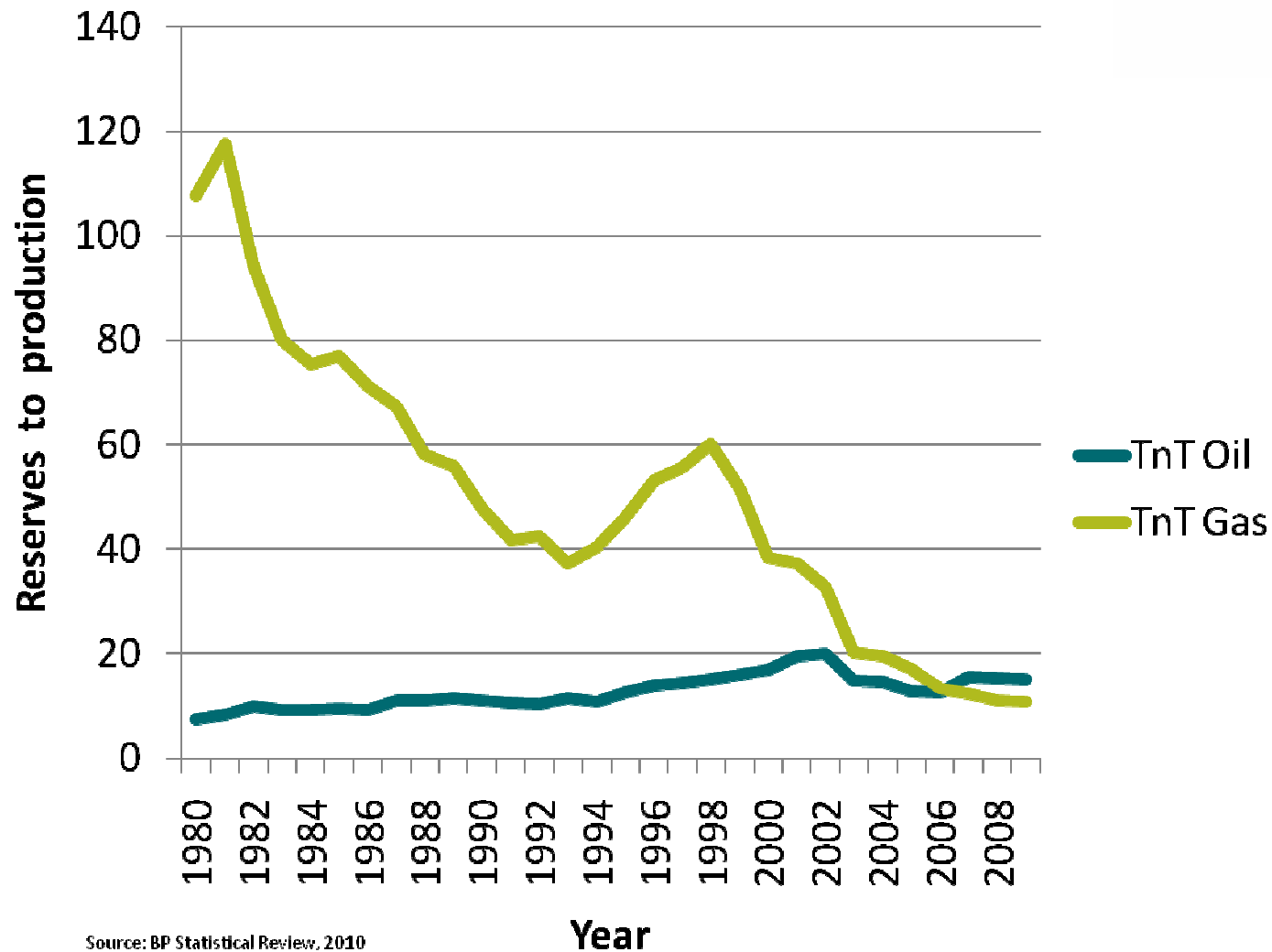


Source: BP Statistical Review, 2010



The Energy Chamber
of Trinidad & Tobago
www.energy.tt

Trinidad and Tobago's Reserves-to-production ratio of Oil and Natural Gas, 1980 - 2010

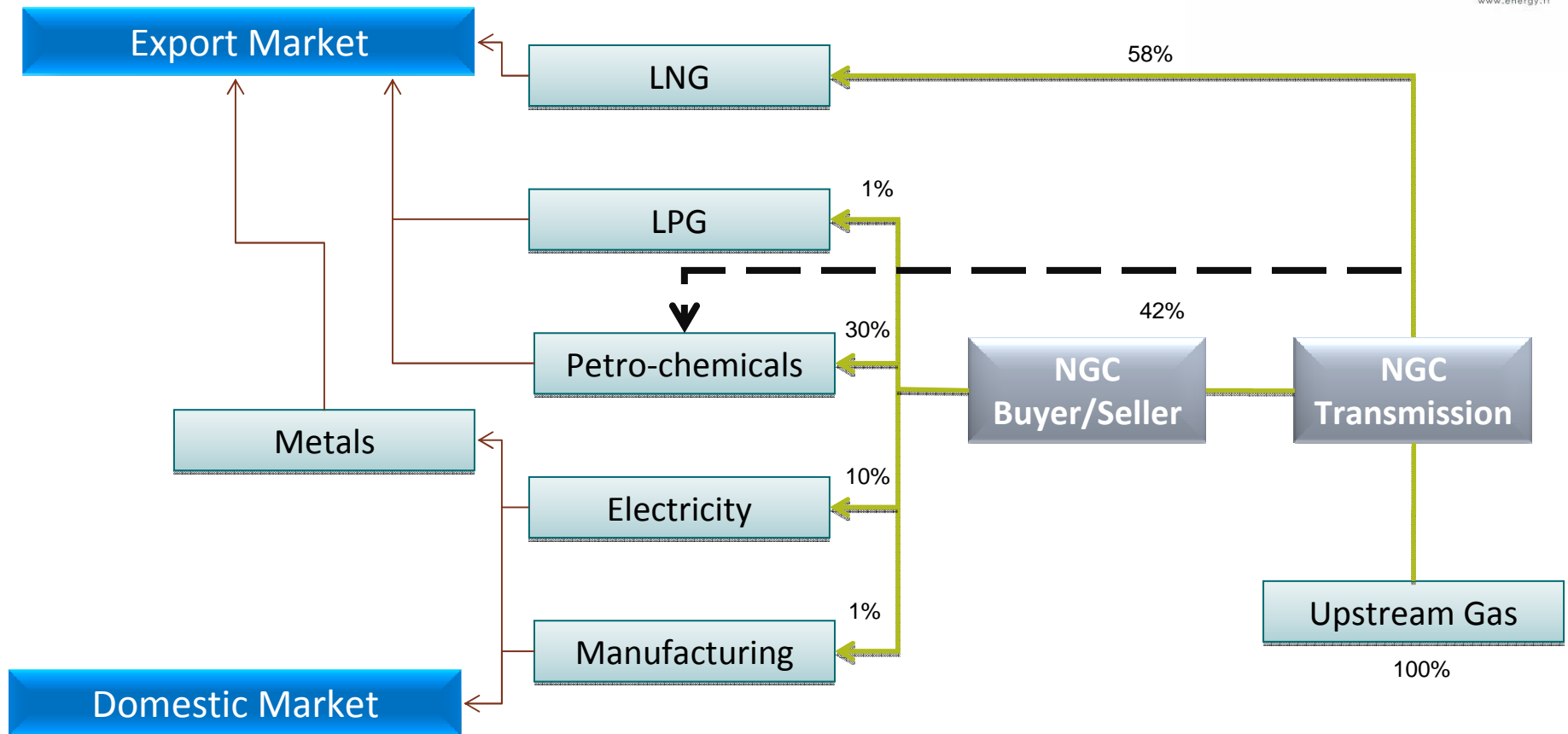


Source: BP Statistical Review, 2010

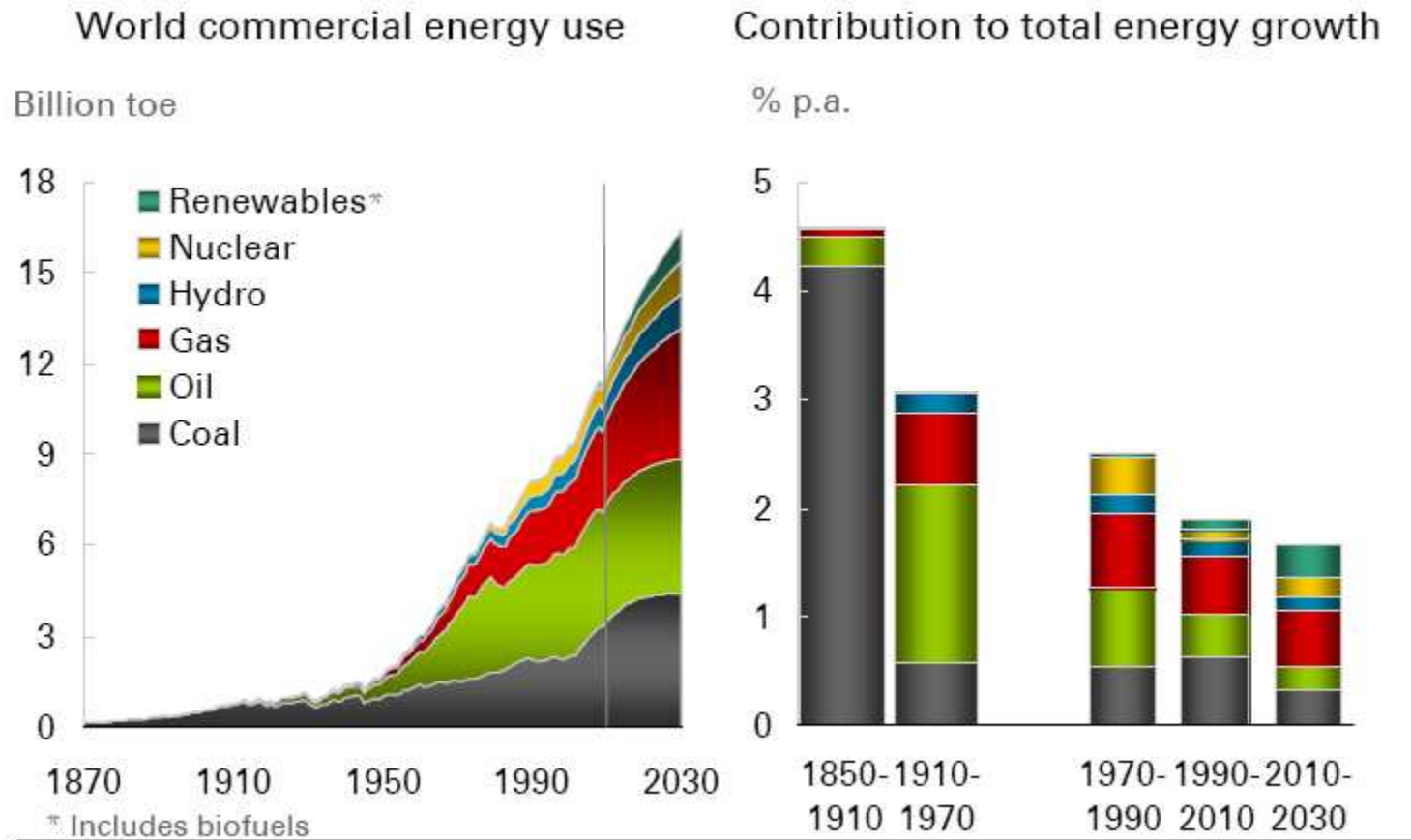
T&T Gas Market Structure/Utilization



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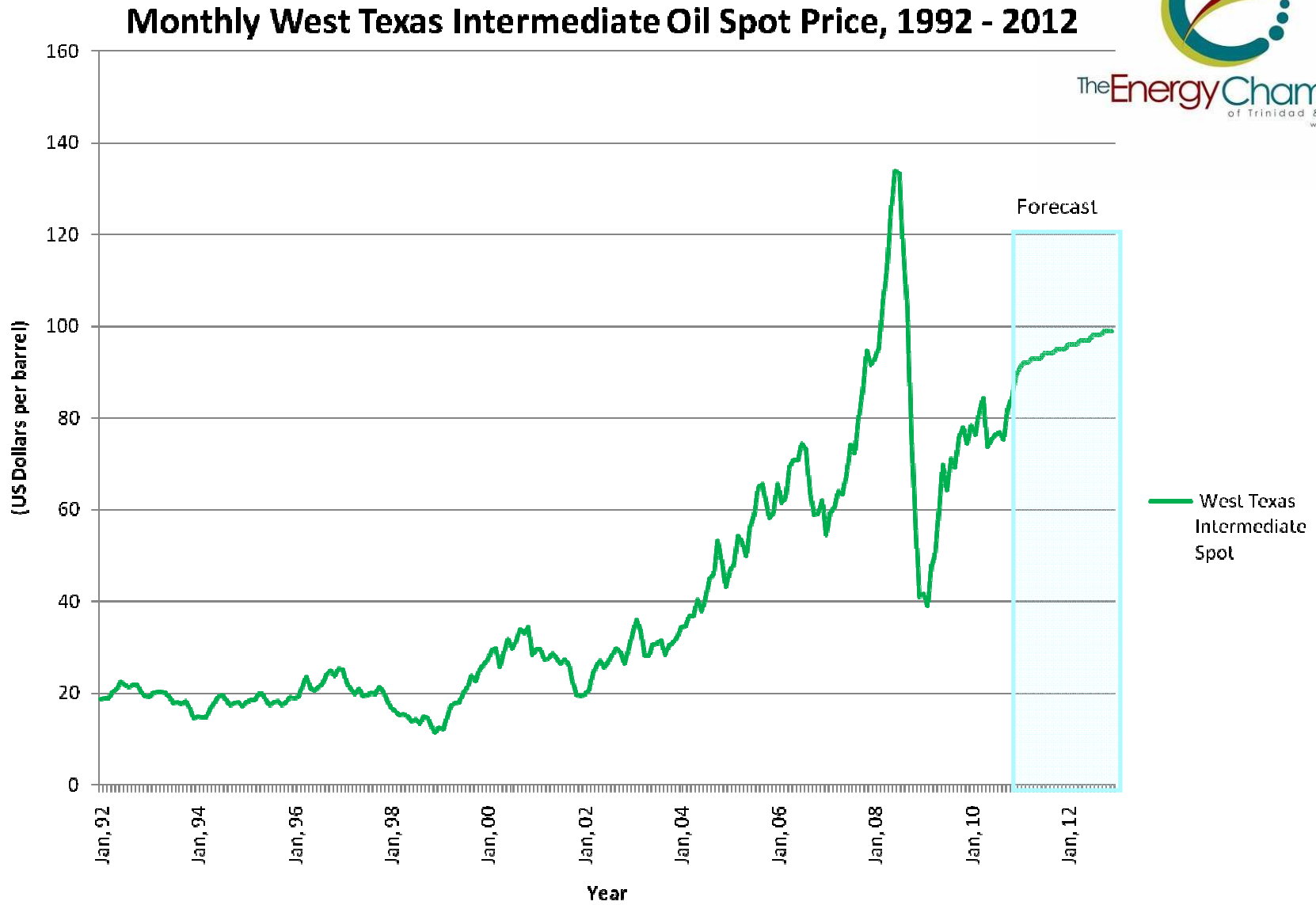
Global Trends



Source: BP Energy Outlook 2030



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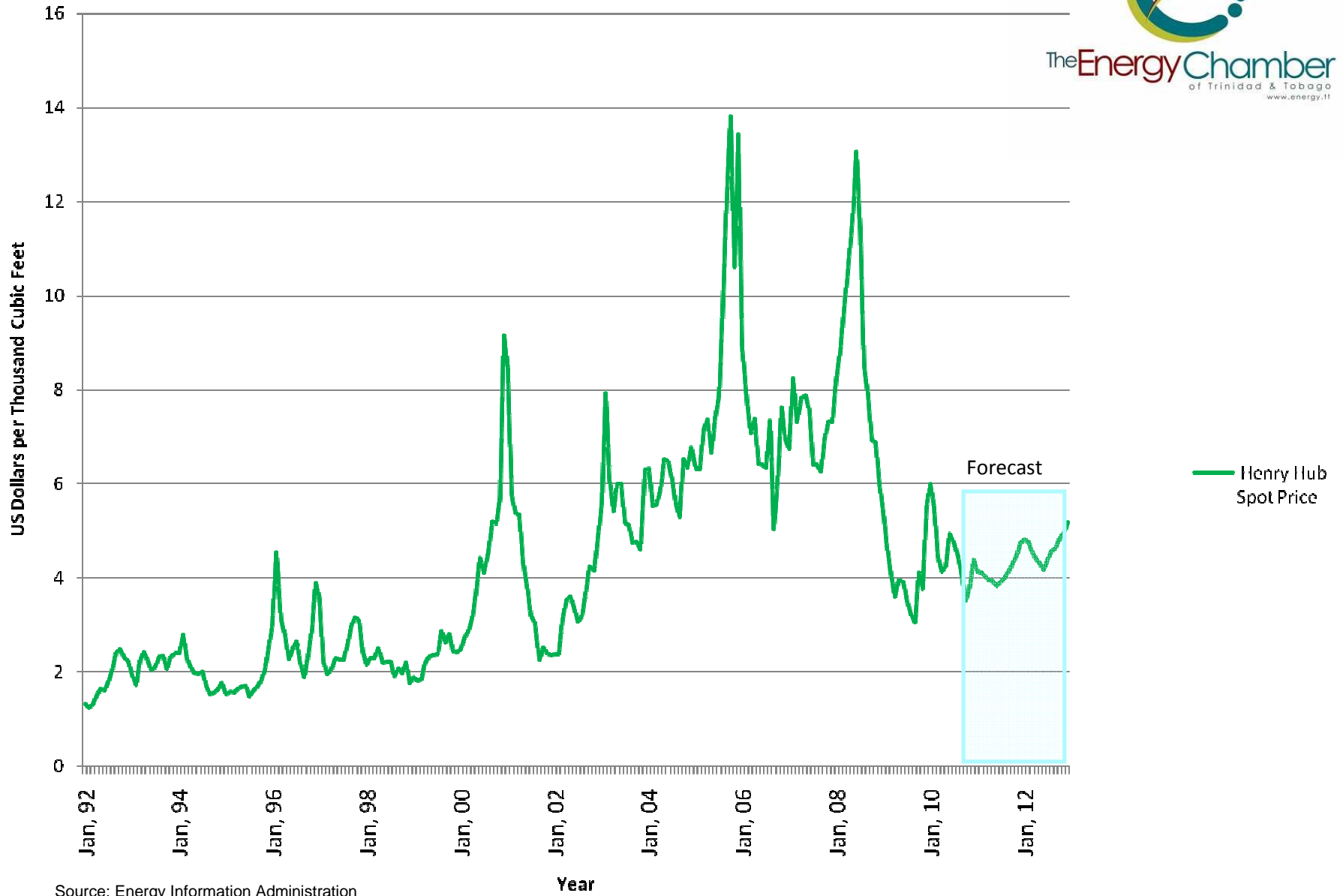


Source: Energy Information Administration

Monthly Henry Hub Natural Gas Spot Price, 1992 - 2012

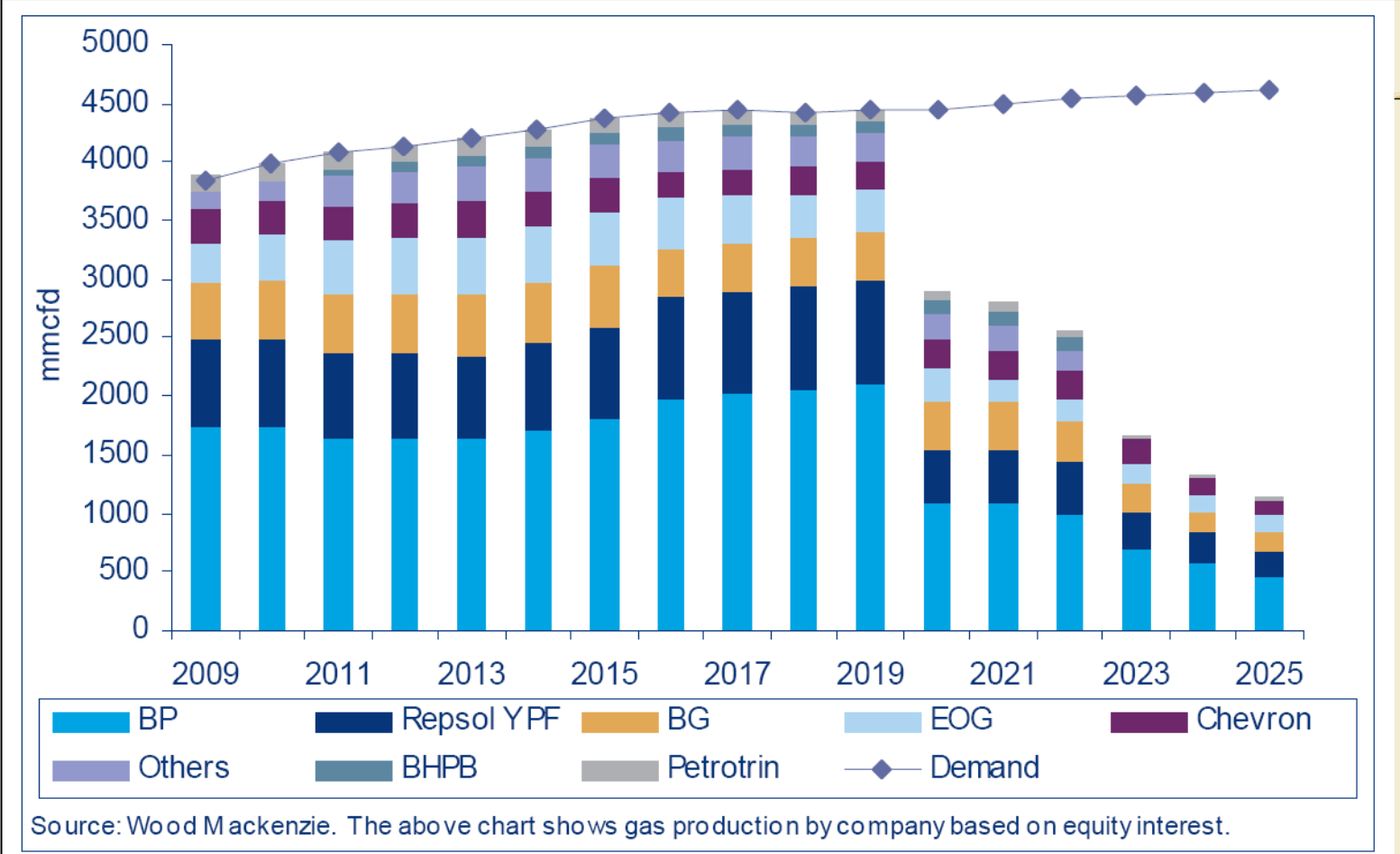


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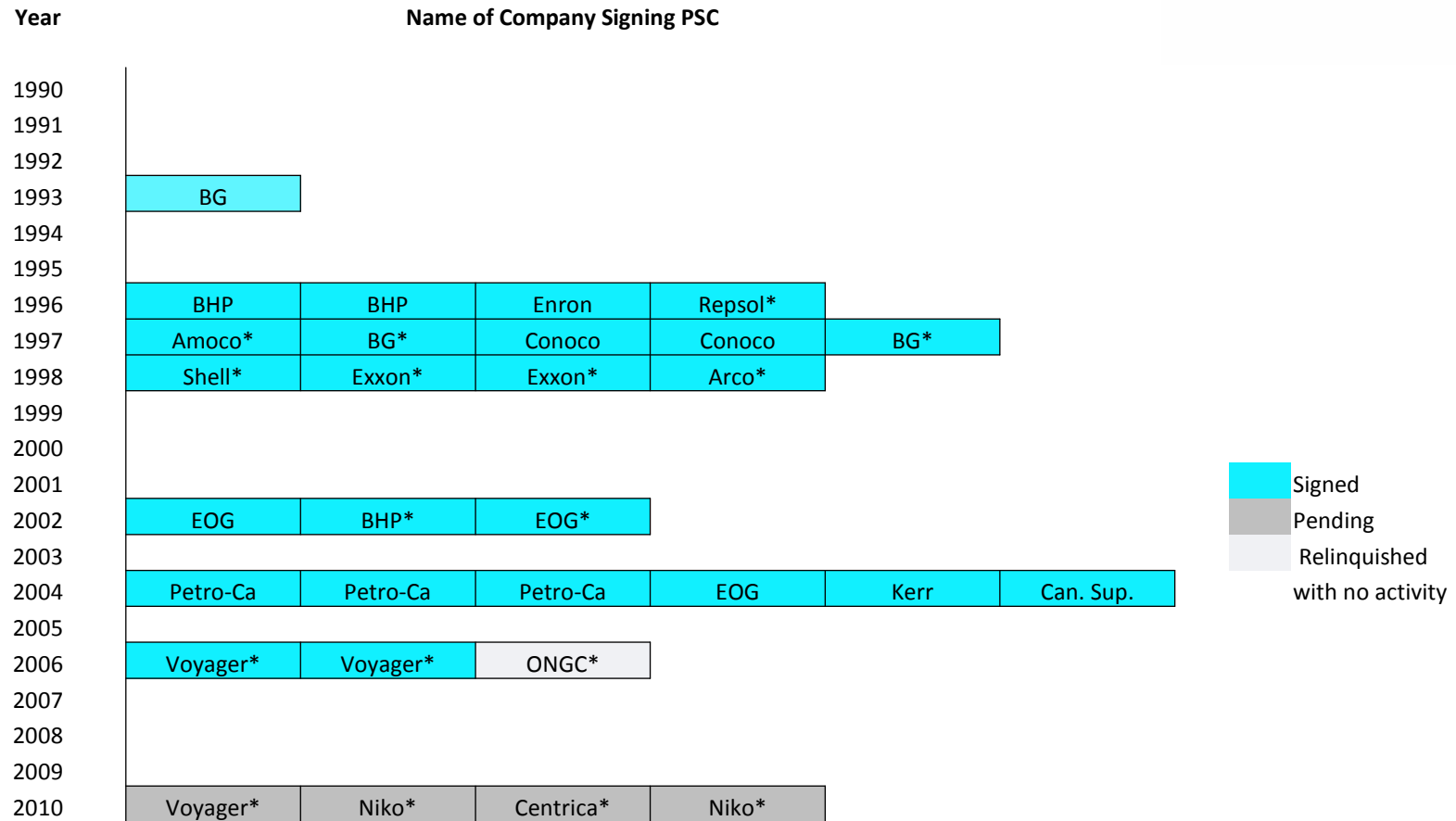


Source: Energy Information Administration

Gas Production by Company based on Equity Interest



Upstream Project History



Source: Ministry of Energy and Energy Affairs

* Indicates joint bid

New Mid-stream Projects



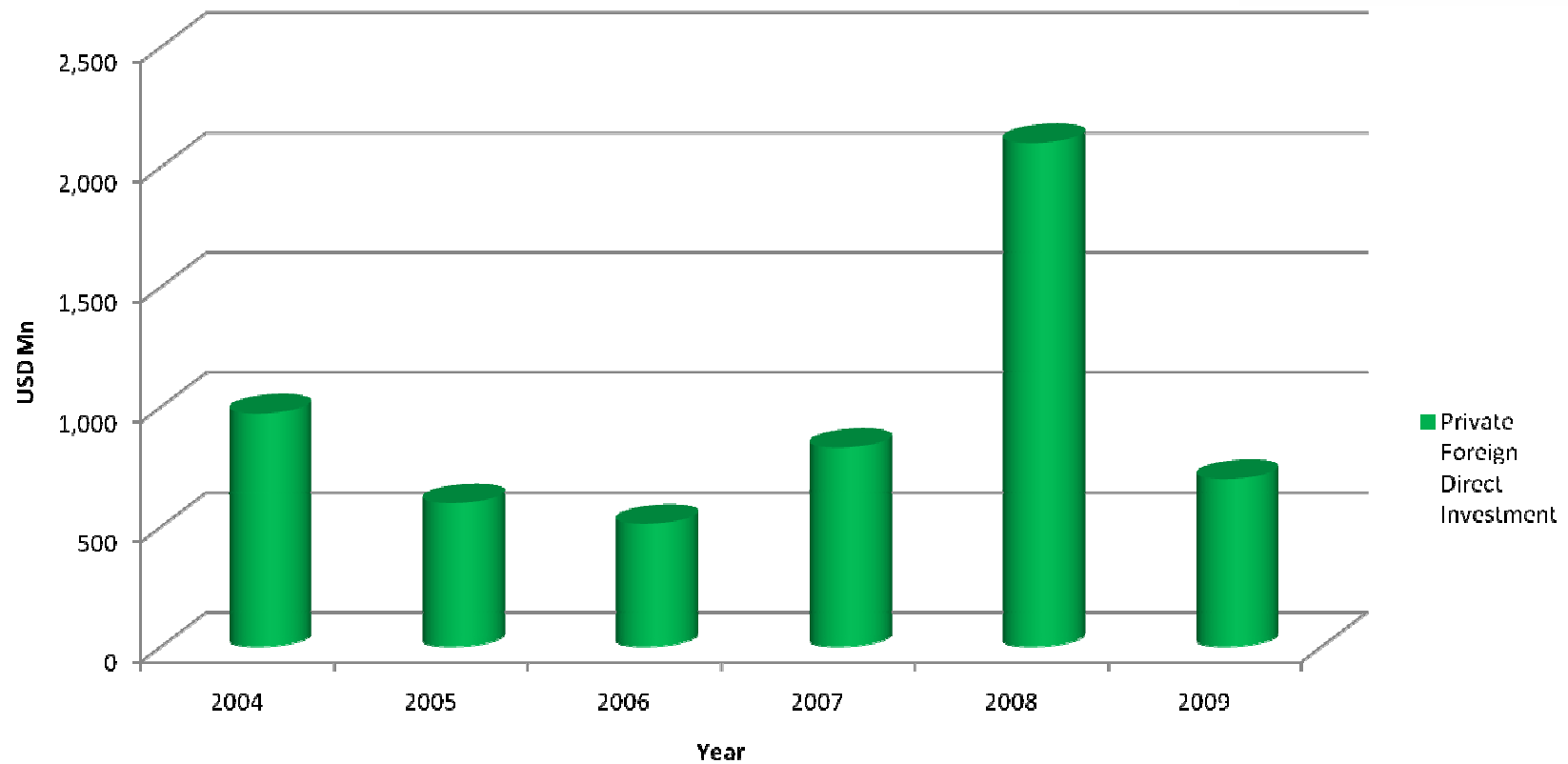
Project	Proposed Start Date	Capital Investment (USD Mn)	Const. Jobs	Perm. Jobs	Status
Gas to Polyethylene	TBD	2,300	5,000	500	Evaluating Options
Gas pipeline to Tobago	2007	11	-	-	80% Completed
Gas-To-Liquid	2007	100? (original estimate)	-	-	For sale Not complete

Selected Downstream Projects



Project	Proposed Start Date	Capital Investment (USD Mn)	Const. Jobs	Perm. Jobs	Status
MHTL AUM	2009	1,700	2,500	300	Operational
Alutrint	2006	500	3,000	1000	No longer under dev.
GTPP	TBD	1,600	4,000	400	No longer under development
Essar Steel	TBD	1,700	5,000	1,700	No longer under development
First UAN	2006	835	2,000	125	under dev.
Alcoa	2006	1,400	3,000	500	No longer under dev.
Carisal Calcium Chloride Plant	2011	300	150	75	Seeking funding ¹³

Private Foreign Direct Investment, 2004 - 2009



Local Investment

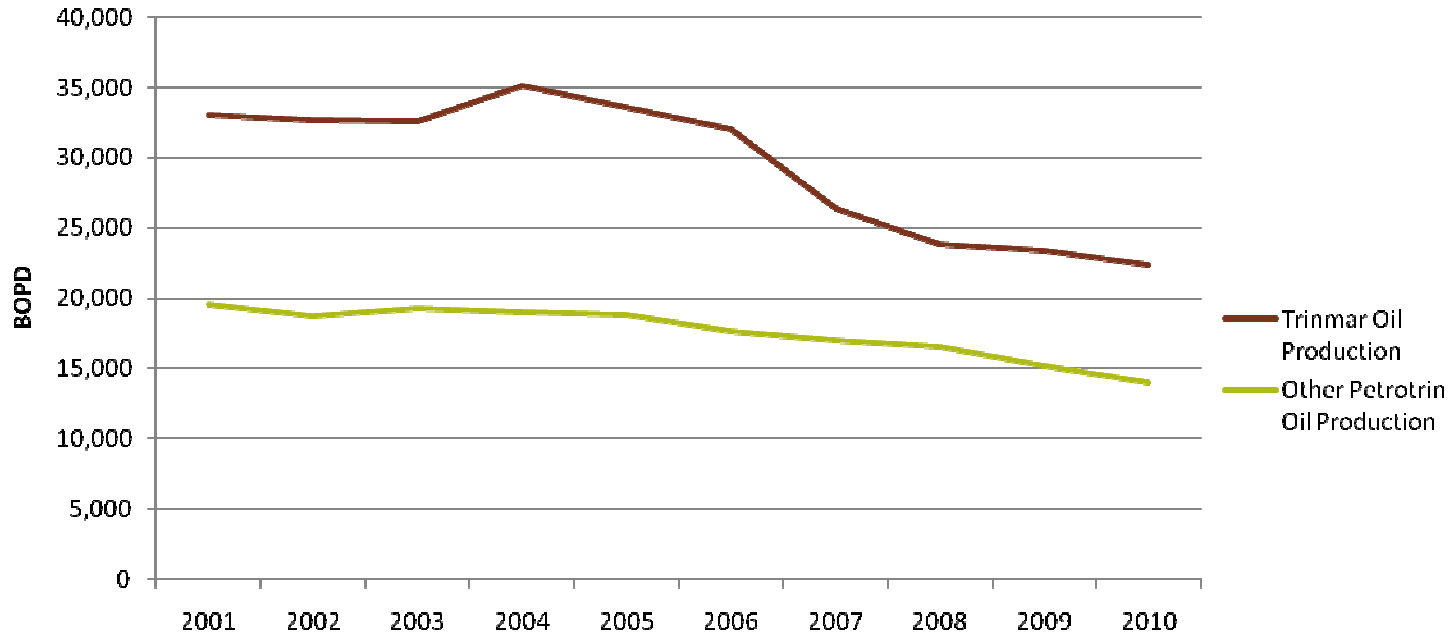


- The Energy Sector contributed 43% to GDP over the last 6 years
- Yet, local Investment in the Energy Sector is negligible
- Why is this so?

Trinmar is a major opportunity:



Petrotrin and Trinmar Oil Production 2001-2010



Source: Ministry of Energy and Energy Affairs

Increasing oil production:



We need significant capital investment into oil production

Private – capital very interested in investing into Trinmar and land oil, but needs the right investment structure.

Options:

- Sale of the assets
- Public-listing (all or part)
- Joint-venture
- Lease-out

Further debt for Petrotrin is not an option.

Suggestions



- Focus needs to be on lobby to Government to ensure positive net margin to investors for any projects, not tax credits and removing VAT.
- Lobby government to develop and implement local content strategy
- Craft sound and innovative ways of financing energy sector projects:
 - Consortium financing
 - Co-financing and risk mitigation arrangements with the World Bank
- Form alliances with project managers/consultants to build capacity, knowledge and confidence

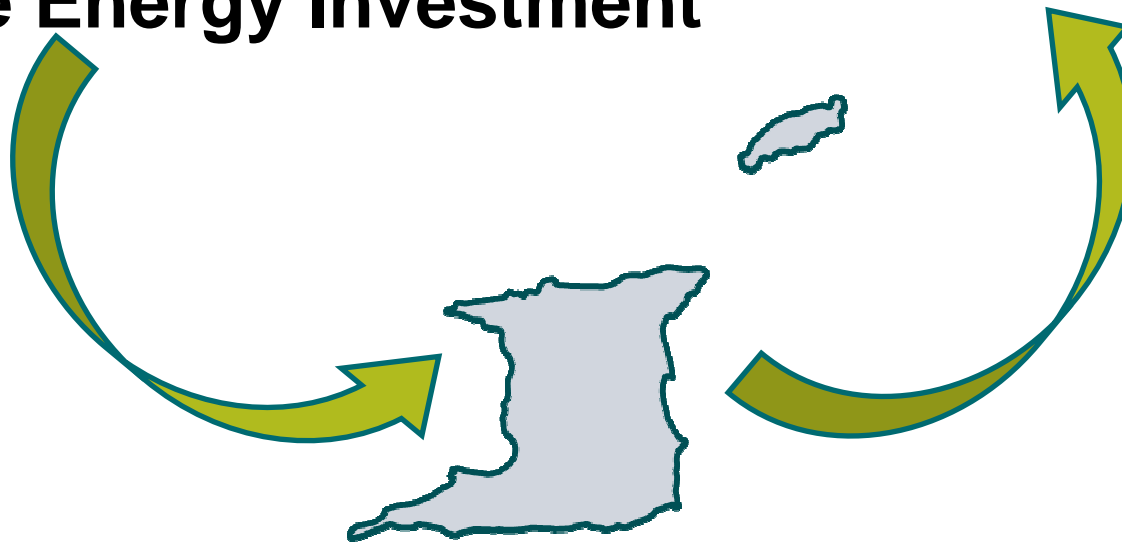
Energy Chamber strategy:

Building a strong platform for sustainable energy sector growth



Promote Energy Investment

Export Energy Services



*Efficient
Business
Sector*

*Strong
Energy
Chamber*