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Methanex says future of T&T operations hinges on gas supply, Venezuela link

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THE Methanex Corporation's future in Trinidad and Tobago hinges on securing adequate gas supplies, with expansion plans closely linked to potential cross-border development in Venezuela, its president and chief executive officer Rich Sumner has said.

Sumner made the comment as Methanex recently hosted its Investor Day.

He said that while Methanex is seeing stable or improving gas supply conditions in regions such as Chile and Egypt, T&T continues to face uncertainty.

Sumner said that, similar to Methanex's assets in New Zealand, the offshore gas fields in T&T are 'all mature and at end of life.'

'Production has gone from a peak of 4.2 billion cubic feet (bcf) a day in 2010 to around 2.5 bcf per day today. That's roughly a 40% decline from peak production,' he said.

'But what's different and more important is that the country itself is highly dependent on oil and gas revenues. So unlike New Zealand, their strong political will and motivation could enable upstream activity in the region. Today, there are few local offshore developments that are expected to come online in 2027 and have the potential to slightly increase current production and sustain that for another couple of years,' Sumner said.

Sumner said Methanex expects T&T's gas supply–demand balance to remain relatively tight through 2027.

'Ultimately, to sustain and grow production, grow gas supplies in Trinidad hinges on the ability to develop crossborder supplies with Venezuela where there is a very large gas resource base. But such cross-border developments require the right geopolitical conditions to enable,' he said.

'Today, we're operating our Titan asset in Trinidad and producing around 800,000 metric tonnes per year. And even though we've developed good capability in Trinidad, continued operation will be largely contingent on the gas look. And more importantly, our ability to secure future gas supply contracts to profitably sustain longer-term operations in the country,' Sumner said.

Sumner said that because of the gas shortages in T&T, all the energy players are taking a 'haircut' on their operations.

He said that, as it currently stands, T&T's gas demand comes from methanol, ammonia and LNG producers.

'Pretty much across the board in terms of gas, 4 bcf a day of gas demand and 2.5 bcf a day of production. So, across all end users there, LNG, methanol and ammonia...everyone's taking a haircut on operations there. There is the recent announcement of Nutrien backing out of Trinidad. And what happens to gas? We do believe-not certain-that what's going on there is obviously not...for us to speak to that situation. We do think, on a short-term basis, some gas may have been rediverted into methanol,' he said.

'But I think everyone is taking a haircut across the whole downstream sector, and right now our focus on Trinidad is again operating at cash positive. There are developments that Kevin spoke to that could allow Trinidad, both within Trinidad, to develop gas in the short term, but also, then, longer term it's around geopolitics in Venezuela and the opportunity to unlock there,' Sumner said.

In October 2023, Methanex signed a two-year natural gas agreement with the National Gas Company of T&T (NGC) for its currently idled, wholly-owned Titan methanol plant to restart operations in September 2024.

'So, today, our focus will be on the Titan asset that we have. We've got a gas contract coming up in September 2026. Our base case scenario is that we get another two-year gas contract there on similar terms, and we don't have a turnaround on Titan till the end of that... term of the contract,' Sumner said.

The Titan plant produced 203,000 tonnes in the third quarter of 2025, down from 216,000 tonnes in the second quarter. For the year to date, Titan has produced 556,000 tonnes for the nine months ended September 30, 2025. In 2024, Titan produced 956,000 tonnes.

While Titan was restarted, Methanex idled its Atlas methanol plant when its legacy 20-year natural gas agreement expired.

'I am proud of our team's effort to reach an agreement with the NGC that allows us to preserve this strategic location in our global portfolio and maintain a worldclass team. The two-year term of the Titan contract offered by the NGC reflects the challenging near-term gas supply and demand situation in the country. In the medium to long term, the NGC continues to work with the upstream sector on their plans to develop increased gas supply to the country through various projects, although uncertainty remains,' Sumner said then.

Sumner said then that Methanex had been working with the NGC and the T&T Government for an extended period to secure economic gas supply for the Atlas and Titan plants.

'Our decision to restart Titan and cease operations at Atlas was based on economic considerations, including significantly lower capital requirements at Titan compared to Atlas,' he stated.

Sumner said the company's plant in Beaumont, Texas-and the gasoline it produces-is essentially a replica of the Atlas plant.

'We have a lot of history operating those plants and learning from that particular asset,' Sumner said.

Sumner said right now, Methanex is 'very focused' in both T&T and New Zealand about ensuring that they are free cash flow positive.

Asked whether Methanex would consider relocating its T&T plants to another country, the company said it had studied the feasibility.

'Yeah. No, it's something that we look at. What I would say is it sort of depends on the state of the plant; and then also, the jurisdiction that you might be going to, because a lot of it has to do with how much of the plant can you move to a different location, and does it actually give you an advantage to do that? And a lot of it has to do with the piping or the pressure that you can move. So, we do look at it. We've got studies...on the shelf, and there's opportunities that emerge. We'll look at that. But it's not something that we're actively pursuing today,' senior vice president-Corporate Development Kevin Maloney said.

Sumner said the main advantage to moving is about speed and less about capital savings.

'And so, we don't see the market really demanding us to move with speed, because the pricing signals aren't there today. So, it's unlikely that we're exploring that. But like Kevin says, we're always studying to see if that was an option, how and which asset would make sense,' he said.

Nutrien shutdown to continue next year?

In October, Nutrien completed a controlled shutdown of its T&T nitrogen operations due to uncertainty with respect to port access and a lack of reliable and economic gas supply.

During an earnings call held on November 6, president and chief executive officer of Nutrien Ken Seitz said the reduction in its T&T volumes is expected to be partially offset by the continued strong performance of its North American nitrogen operations.

'In Trinidad itself, we are looking at our various alternatives, assessing options, because we do need line of sight to stable and economic gas supply; and of course, access to port. So, we're working, talking to the Trinidad Government about what those...optimal operating conditions might be. And again, as I say, assessing our path forward,' Asked if the Nutrien nitrogen plant will remain shut down in T&T next year, Seitz said he was not certain.

'Yeah, no-in Trinidad, we'll see. We're certainly not prognosticating that we're gonna be shut down into 2026. We're working through that at the moment, and, you know, looking for those optimal operating conditions where, again, (we have) reliable and affordable gas supply and access to port...So, those discussions will be ongoing. Trinidad contributes less than 1% of our free cash flow. And so, it is, from that perspective, in terms of the overall contribution, it's de minimis,' he said.

Seitz and Nutrien executives visited Prime Minister Kamla Persad-Bissessar in T&T on November 22.

'And even our own Trinidad operations, which are shut down this year, I would say, you know, phosphate probably will continue. And again, looking at the supply and demand balance, it will probably continue to be tight. I know that... phosphate prices are elevated compared to historical average levels. But at the same time, it's a supply story. And while we might see some reduced phosphate volumes going down here in the fall, given where phosphate prices and therefore affordability is at, we might see some of that. We expect that...heading into 2026, the market will continue to be tight,' Seitz said.