

S&P Global:

## Deepwater bid round sets stage for 'new chapter' in T&T

BY JOEL JULIEN

[joel.julien@trinidadexpress.com](mailto:joel.julien@trinidadexpress.com)

**TRINIDAD AND TOBAGO is setting the stage for a 'new chapter' in its offshore exploration with the launch of its 2025 deepwater bid round, international financial data and analytics provider S&P Global has stated.**

'With 26 offshore blocks that collectively cover approximately 29,177 sq km, the country's 2025 deepwater competitive bid round is poised to be the largest auction of oil and gas exploration areas in Trinidad and Tobago's history,' it stated.

S&P stated that the Government is aiming to unlock untapped hydrocarbon potential in some of the country's least explored frontier areas.

'This move signals a strategic effort to attract international investment and revitalise upstream activity in a region that still holds significant promise,' it stated.

It stated that unlike many mature basins worldwide, Trinidad and Tobago's deepwater acreage remains largely underexplored.

'While global exploration trends have slowed, the country is positioning itself as a competitive and geologically attractive option for energy companies seeking new offshore opportunities,' it stated.

'If successful, the bid round could bolster new hydrocarbon resources, drive innovation, and support long-term energy security for the nation,' S&P stated.

Trinidad and Tobago's Ministry of Energy and Energy Industries officially launched the 2025 bid round in January.

Bids are due by noon on July 2. 'Results are expected by early October 2025. The awarded blocks will feature a ten-year exploration period divided into three phases. Additionally, there is a potential 25-year extension contingent upon a commercial discovery,' it stated.

S&P stated that notably, half of the blocks in this round did not attract any bids when they were previously offered in 2021/2022.

'Most blocks are situated in the Northeast Caribbean Deformed Belt, a recognised frontier basin with gas discoveries and ongoing development plans, specifically on Woodside Energy's Bongos 2, Bele 1, Boom 1, Hi Hat 1, and Tuk 1 fields as part of the company's Calypso project,' it stated.

'Additional blocks are located in the emerging Tobago Basin and the more developed Columbus Sub-basin region of the Trinidad Basin,' S&P stated.

S&P stated that among the most significant blocks in this round are the TTDAA 5 block and several adjacent blocks, where Woodside discovered the Le Clerc gas field in 2017, with a reported potential resource of up to five Tcf of gas. Several blocks adjacent to the Calypso project in Block 23 (a) and TTDAA 14, which is projected to reach a final investment decision by late 2025 or 2026 with a potential resource of 3.5 Tcf, are also included, it stated.

'The deepwater region of Trinidad and Tobago has been the focus of several extensive seismic programmes to improve the understanding of its hydrocarbon potential.

Woodside conducted a substantial 20,977 sq km 3D seismic project that spanned several blocks between 2014 and 2015, marking it the most extensive 3D marine seismic survey in the western hemisphere,' S&P stated.

'To support the 2025 bid round, the government commissioned a multiclient 6,500 sq km 3D seismic acquisition project in the Tobago Basin trough with Searcher Seismic in August 2022. However, the project has been delayed and is expected to occur by mid-2025,' it stated.

The bid evaluation process for the 2025 bid round will utilise a comprehensive point system assessing various factors critical to the bidding process.

Key components of this evaluation will include production profit-sharing, signature bonuses and proposed geophysical programmes.

'Additionally, studies and commitments related to exploratory well drilling will be assigned varying weights based on geographic location,' S&P stated.

It said overall, the Government of Trinidad and Tobago is committed to attracting new investments in the upstream oil and gas sector, having launched multiple licensing rounds each year since 2021.

'While the process of awarding contracts has faced delays-taking over a year in both the 2021 deepwater round and the 2022 onshore and nearshore bid round-there have been signs of improvement. The 2023 shallow water round showcased a more efficient process, resulting in the timely awarding of four blocks to prominent companies, such as Shell, B, and EOG Resources, within just four to seven months. This reflects a positive shift toward enhancing investment opportunities in the country's oil and gas landscape,' it stated.

'To effectively seize these opportunities in the oil and gas sector, it is essential to establish competitive fiscal terms that attract investors, such as favourable tax incentives and royalty structures. Additionally, improving regulatory efficiency through streamlined processes and enhanced communication can significantly lower the time and costs

associated with obtaining permits. Lastly, outlining a clear development pathway with defined timelines and milestones will give investors the confidence to commit to long-term projects,' S& P stated. By focusing on these elements, stakeholders can create an environment that not only attracts but also sustains investment in the industry.

### **13 blocks make return**

The Trinidad and Tobago 2025 Deepwater Competitive Bidding Round was officially gazetted on January 24, with 26 blocks available for bidding.

This bidding round contains 26 offshore blocks, namely: Block 24, Block 26, TTDAA 1, TTDAA 10, TTDAA 11, TTDAA 12, TTDAA 13, TTDAA 15, TTDAA 16, TTDAA 2, TTDAA 24, TTDAA 25, TTDAA 26, TTDAA 27, TTDAA 28, TTDAA 29, TTDAA 3, TTDAA 30, TTDAA 31, TTDAA 32, TTDAA 4, TTDAA 5, TTDAA 6, TTDAA 7, TTDAA 8 and TTDAA 9. These blocks are located along the eastern and northern coasts of Trinidad and Tobago.

The bid round included the return of 13 out of the 17 blocks that were offered in the previous bidding round.

The 2021 Deepwater Competitive Bid Round was launched on December 3, 2021, and was officially closed on June 2, 2022.

That bid round contained 17 offshore deepwater blocks: Blocks 23 (b), 24, 25 (a), 25 (b), 26, 27, TTDAA 1, TTDAA 2, TTDAA 4, TTDAA 8, TTDAA 9, TTDAA 11, TTDAA 15, TTDAA 25, TTDAA 26, TTDAA 28 and TTDAA 29, located off the northern and eastern coasts of Trinidad and Tobago.

In total, four bids were received for the deepwater blocks from a consortium comprising two companies, BP Exploration Operating Company Ltd and BG International Ltd. The bids received were:

☑ **Block 23(b) -BP Exploration Operating Company Ltd / BG International Ltd**

☑ **Block 25(a) -BP Exploration Operating Company Ltd / BG International Ltd**

☑ **Block 25(b) -BP Exploration Operating Company Ltd / BG International Ltd**

☑ **Block 27 -BG International Ltd / BP Exploration Operating Company Ltd**

After several months of negotiations between representatives from both the Ministry of Energy and Energy Industries and the consortium, the parties were able to agree to mutually acceptable fiscal and technical improvements to the bids for three of the blocks: 25(a), 25(b) and 27.

The Production Sharing Contracts were executed at the signing ceremony for the award of blocks 25(a), 25(b) and 27 which took place on September 26, 2023 at the Hyatt Regency, Port of Spain.

Delivering the budget last October, then finance minister Colm Imbert said: 'To encourage exploration of the country's hydrocarbon resources, the Ministry of Energy and Energy Industries has been actively undertaking a series of bid rounds including the 2018/2019 Shallow Water Competitive Bid Round, 2021 Deep Water Competitive Bid Round, 2022 Onshore and Nearshore Competitive Bid Round, and the 2023 Shallow Water Competitive Bidding Round, which have gone well. The Ministry also plans to launch a Deep Water Competitive Bid Round before the end of 2024 as another opportunity to attract commercial interest from potential investors.'