

Imbert: Exxon deal could take 13 years to deliver revenue

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FORMER finance minister Colm Imbert has warned that it could take more than a decade before the Government sees any revenue from the deal struck with ExxonMobil.

Speaking at a news conference at the Opposition leader's office on Monday, Imbert also stated that it would take at least ten years before the first barrel of oil is produced in that deep water area-'if it is at all'.

Imbert said no seismic survey had been done, which would take about a year.

'No exploration drilling has been done. That would take about two years; and then to go from discovery to production would take another seven years.' He said the arrangement the Government appeared to have entered into is that ExxonMobil must recover all of its costs before any revenue comes to the Government. 'It is maybe 12 to 13 years down the road, if oil is discovered there, the country might get some. And while it is a good thing that a major oil company has decided to invest in Trinidad and Tobago, we (are) talking (about) revenue a decade from now,' he said. Last week, a Production Sharing Contract (PSC) for the new TTUD1 block was signed between ExxonMobil and T&T Deepwater Ltd at the Diplomatic Centre in Port of Spain.

The TTUD1 block is a consolidation of blocks TTDA 17, 18, 19, 20, 21, 22, and 23.

Speaking at the signing ceremony, Prime Minister Kamla Persad-Bissessar estimated ExxonMobil would spend about US\$42.5 million during the mandatory first phase of the project, with total development costs potentially ranging between US\$16.4 billion and US\$21.7 billion if exploration proves successful.

At the event, Energy Minister Dr Roodal Moonilal noted that the eastern deepwater area exceeded 2,000 metres in depth and spanned 7,165 square kilometres, which is larger than Trinidad and Tobago's land area of 5,128 square kilometres.

Imbert asked whether procurement was through a sole select process, and what the terms were.

He said ExxonMobil got very good terms with the government of Guyana for the first production of oil where there was a royalty of 2%, which became an issue in the last Guyana elections.

He said in T&T, the Government has traditionally charged a royalty of 12.5%.

'So there are a lot of questions that have not been answered on this matter,' he said.

On the 10% salary increase offer to the PSA, Imbert said he had heard that the PSA was told after the election that the 10% promise was really a combination of 4% for the 2014 to 2016 period, and 6% for the 2017 to 2019 period.

He said the PNM offer was 4% for the first period and 5% for the second period, and there was every intention of going to 6%.

'So it is the same thing (that the UNC is offering),' he said.

Imbert said he also heard the Prime Minister make 'one of her usual scandalous, erroneous allegations'-that the PNM government had sold Trincity Mall to its friends and financiers 'for peanuts'. He said that was 'absolute rubbish'.

He said the sale of Trincity Mall was being managed by a court-appointed liquidator from Grant Thornton, appointed in 2017. Imbert said the judge stipulated that there had to be a transparent process if any of the assets of CL Financial were sold. He said Ansa McAL had the highest bid in the first invitation for bids for \$600 million. But Clico took a long time to produce the necessary information and Ansa McAL withdrew its bid. The second invitation for bids resulted in the approval for sale for \$500 million to a consortium. He said the PNM had no say in this liquidation because the liquidator controlled 51%.