

Refinery bids to be completed by month-end

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PRIME MINISTER Dr Keith Rowley anticipates that the bids for the Guaracara refinery and its ancillary assets (Petrotrin) will be completed by the end of the month, 'hopefully with an announcement of the selected company, shortly thereafter'.

He said this yesterday at the annual Trinidad and Tobago Energy Conference, Hyatt Regency (Trinidad), Wrightson Road, Port of Spain. The three-day conference is themed Investing in the Future.

Rowley said the first offers were found to be less than satisfactory and were aborted and after a review expressions of interest were re-invited for the sale or lease of the Guaracara refinery and its ancillary assets.

'The expressions of interest were evaluated by an Evaluation Committee comprising industry professionals from whose recommendation, three companies were shortlisted. The next phase of the process comprises the submission by the companies of firm proposals and negotiations with the Evaluation Committee for the selection of the most suitable company. It is anticipated that the negotiations will be completed before the end of February 2025, hopefully with an announcement of the selected company, shortly thereafter,' he said.

'Given the careful detailed work that has been concluded on our efforts to restart refinery operations it is the expectation that Cabinet could soon be in a position to receive and sign off on the recommendations from the Technical Evaluation Committee which has been hard at work for the last few months,' Rowley said.

Petrotrin was restructured in 2018, leading to its closure and the creation of Trinidad Petroleum Holdings Limited (TPHL) as the parent holding company.

Under TPHL, three key subsidiaries were established: Heritage Petroleum Company Ltd, Paria Fuel Trading Company Ltd, and Guaracara Refining Company Ltd.

Its exploration and production operations were restructured into Heritage Petroleum Company Ltd while its provision of refined fuel products was taken on by Paria Fuel Trading Company Ltd (Paria).

The refinery was placed into Guaracara Refining Company Ltd, a subsidiary formed to preserve the refinery and to provide utility services to Paria.

Rowley further explained the reason for the restructuring, saying that when he took office in 2015, the sector was declining and industry confidence was low. He said this was coupled with Petrotrin's plummeting production levels in its mature fields and accumulated debts.

'However, all was not well with the State Energy Company, Petrotrin. Its production levels in its mature fields were plummeting, it was overburdened by huge, accumulated debts and the most favourable forecasts were for ongoing billion-dollar losses in an environment where the national treasury could not assist further without great peril to the whole economy. Based on the advice of the then board of directors and a Government-appointed technical committee, the company was restructured into separate business units and the refinery was put up for sale or lease as the Government continued to keep and service upwards of US\$450 million of Petrotrin debt,' said Rowley.

Rowley added that it is anticipated that the increase in upstream activity will arrest the decline and significantly improve the production of oil and gas.