

Energy analysts: Time to focus on Calypso gas



Former Minister of Energy, Kevin Ramnarine



Mariano Browne

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While the full details of the meeting between Prime Minister Stuart Young and the United States Secretary of State Marco Rubio in Jamaica yesterday is not yet, known former Energy Minister, Kevin Ramnarine, says uncertainty still looms over this country's gas deals with Venezuela.

Both Young and Rubio said after the meeting that it was excellent.

Young said he would provide more details at the post-Cabinet news conference today.

In an interview with Guardian Media, Ramnarine said the Trump administration has made its position clear about Venezuela's oil and gas industry.

He noted that President Donald Trump has said the US would impose a 25 per cent tariff on countries that purchase oil from Venezuela.

Ramnarine stressed that since the re-election of President Trump in November last year, the uncertainty around Dragon and Coucina-Manakin had significantly increased.

"What we do know is Secretary of State Rubio is very hawkish on Venezuela and the Republican party has received heavy support from the Venezuelan community in Florida. That Venezuelan community in Florida wants to see their country return to democracy," he detailed.

The former energy minister advised that the relevant authorities have to plan this country's economy for the scenario where we do not get Dragon gas.

"If it happens, then great. If not, we have to rely on our resource base, especially our deepwater gas reserves which remain undeveloped. If neither Venezuela nor our own deepwater gas materialise, we will continue with the slow decline of our energy sector with its related challenges such as

dwindling foreign exchange supplies,” said Ramnarine.

Speaking on the Calypso gas field project, he said it should have started producing natural gas two years ago.

“To this day, that project has not achieved final investment decision and by the time we get to that, it’s another five years to first gas. This is one of the reasons why the country finds itself behind the eight ball,” he lamented.

Located 220 kilometres off the east coast of Trinidad in 2,100 metres of water, the Calypso field is estimated to hold 90.6 bcm (3.2 tcf) of natural gas.

It is licensed to Woodside, with a 70 per cent participating interest, and partner BP, which holds 30 per cent.

Also sharing his views on the issue was economist Mariano Browne who said the Calypso field was subject to different commercial considerations than those raised by Senator Rubio.

“The Calypso field is not a large one. And it is relatively deeper waters. This requires careful commercial negotiations by the government to ensure that they obtain real benefit from the negotiations,” Browne pointed out.

On the talks between the prime minister and Rubio, Browne said he has been known to be a Venezuela “hawk” meaning that he is unfriendly to Venezuela’s interests.

“Our interest is in getting a 25-year OFAC licence. There is nothing in the text that suggests that Secretary Rubio has a concession of this nature in mind. We also need to be aware of the Liberation Day example April 2. That is the day on which President Trump will announce the new import tariff regime. This is of greater significance in the short run as it is likely to affect all of TT’s exports to the US. The talking points ahead of the meeting yesterday did not address this area,” he added.