

# Rowley: T&T to approach Trump on Dragon gas







Prime Minister Dr Keith Rowley delivers the feature address at the T&T Energy Conference at the Hyatt Regency, Port-of-Spain, yesterday. PHOTOS BY ROGER JACOB

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Prime Minister Dr Keith Rowley says his Government will soon be seeking to engage and apprise the new US administration of the importance of the Dragon gas and Manakin-Cocuina projects for T&T and for the energy security of the region.

Rowley made the comments at the T&T Energy Conference at the Hyatt Regency, Port-of-Spain, yesterday, where he told the audience his address was “possibly as the last time as the Prime Minister of the Republic of Trinidad and Tobago.”

Rowley noted that the Government, in collaboration with the Venezuela government and energy stakeholders, have made great strides in advancing the development of both the Dragon and Manakin-Cocuina projects, underscoring their importance.

He stressed that energy security is a major issue for the majority of countries in the Caribbean, with oil and gas accounting for 60 per cent of the region’s energy needs.

“There is an opportunity for the petroleum-producing countries in the region to pool their resources and optimise their monetisation using existing infrastructure to the benefit of the resource owner and wider community. As a region susceptible to the effects of climate change, pooling of resources will contribute to reducing the carbon footprint of the region,” Rowley said.

The PM explained that it is this principle that governs economic co-operation between T&T and Venezuela, which has been extended to Guyana, Grenada, Suriname and Barbados, all Caricom partners with whom Memoranda of Understanding have been signed to facilitate future co-operation and collaboration in energy matters.

In December 2023, Minister of Energy Stuart Young signed the Dragon gas agreement, which resulted in the Venezuela government granting a 30-year licence for the development of the Dragon field. That licence will have the possibility of being extended for a period agreed upon by the parties.

However, local economists and energy experts have expressed concerns that the renewed presidency of Donald Trump can mean sanctions may be maintained or intensified against Venezuela, which can, in turn, have a negative impact on that country’s relationship with T&T and affect the Dragon gas deal.

On the broader energy front, Rowley expressed optimism about T&T’s energy sector, saying there has been a renewed commitment by companies to deepen their investment. He noted that while this had slowed due to the COVID pandemic, it is now projected at a healthy US\$10.2 billion over the period 2024-2027 as compared to approximately US\$6.0 billion for the preceding four years.

Regarding the restructuring of Petrotrin, Rowley said the refinery was put up for sale or lease as the Government continued to keep and service upwards of the US\$450 million Petrotrin debt, but

added that Government's decision to restructure the company has been vindicated by the performance of the new operating companies, Heritage Petroleum Company Ltd and Paria Fuel Trading Company.

"From its inception, Heritage has been profitable, with annual net profits in excess of \$1 billion for most of its short history. Its success has enabled the company to contribute \$7.75 billion towards debt service of the TPHL Group over the period commencing 2019 to 30th June 2024.

"Additionally, from inception to date, Heritage has paid \$13.33 billion in taxes and other payments to Government. Simply by changing the business model from importing and refining crude to one of producing and selling unrefined oil, we have moved our bottom line from dangerous chronic losses to solid profitability," Rowley outlined.

He added that Paria has returned a profit each year since its inception, noting that effective cost management measures, operational efficiencies, favourable market prices and expansion of the bunkering business have been responsible for the company's financial success. The Government, the PM added, has been the recipient of corporation tax and green fund levy of \$1.2 billion, from Paria since the startup of operations on December 1, 2018, up to September 30, 2024.

With regard to the refinery bid, Rowley said it is anticipated the negotiations will be completed before the end of February, adding that "hopefully, with an announcement of the selected company, shortly thereafter."

On other energy issues, the Prime Minister said this country can possibly be in a position to explore more natural resources, as it is looking to expand its maritime territory.

"Our marine area, in particular the southeast coast, has been a prolific producer of oil and gas. We are optimistic that the current exploration programmes and especially the deep-water exploration will have a similar success. Trinidad and Tobago, as a coastal state signatory to the UN Convention on the Law of the Sea, has had the opportunity to submit a claim to enlarge its jurisdiction in the maritime sector," Rowley said.