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Petroleum

With current proven reserves of 530 million barrels of oil, the oil supply is expected to last approximately 11 years, given current production rates of 48 million barrels per annum. The oil sector does not play as important a role as it has in the past, but it is still significant. In 1980, oil constituted over 90% of government revenues and 42% of GDP. Today, these figures have been reduced to approximately 70% of government revenues and 23% of GDP. Programs have recently been initiated to recover secondary oil reserves to boost future production. Daily average secondary recovery rose to 1866 barrels in 1995, up from 1058 in the previous year. Oil production increased in 1995 for the second consecutive year due to higher condensates extracted from natural gas operations. Investment in the petroleum industry consists, for the most part, of exploration and production activities. Oil drilling activities had almost doubled in the first half of 1995 compared to the same period in 1994. In the first quarter of 1996, Amoco confirmed its discovery of oil-bearing sands off the southeast coast of Trinidad which marks the first discovery of petroleum in nearly two years.

On March 1, 1995, The Ministry of Energy and Energy Products published the Competitive Bidding Order, offering offshore areas for exploration activity. The objective of the project is to award additional acreage and encourage exploration activity leading to new fields being brought into production. Data packages highlighting structural features and leads are sold to bidders for technical analysis, and companies then bid for the right to explore and produce petroleum in the respective blocks. The project is now in its third phase, with eight new blocks put out for tender in January 1996.

Petrotrin, a state-owned corporation, owns the country's only two refineries, one located at Point-a-Pierre and the other at Point Fortin. The Point-a-Pierre refinery is currently being upgraded with project completion slated for the third quarter 1996. Once completed, the refinery's capacity will be increased to 160,000 barrels per day. Petrotrin is actively seeking divestment of the Point Fortin refinery, which currently only produces bitumen. The country's first LNG plant is being constructed at the Point fortin refinery site.

Natural Gas

Current proven reserves of natural gas are estimated to be 10.6 trillion cubic feet. Given current production rates, these reserves are estimated to last for 38 years. A strategy has been embarked upon to prove additional reserves to promote the gas-based petrochemical industry and the development of an LNG export plant. All of the natural gas produced in Trinidad and Tobago is presently sold to the National Gas Company, a state-owned enterprise, who in turn supplies industrial consumers under individual sales contracts. With the development of the downstream petrochemical industry, production has reached 752 million cubic feet per day. Natural gas demand in 1995 was 593 million cubic feet per day (an increase of 3% over 1994), provided to areas such as power generation, metals industries, petrochemicals, refining, gas processing, and cement production. Demand for natural gas is forecast to increase 22% in 1996 to 723 million cubic feet per day, most of which can be attributed to the country's third methanol plant, which