

Grenadians Paying More for Petroleum Products

The Government of Trinidad and Tobago has held talks with Venezuela on a comprehensive Memorandum of Understanding (MoU) which should see collaboration between Venezuela and Trinidad and Tobago on energy issues.

This follows bilateral talks held between the two leaders on March 20 when the Trinidad and Tobago Prime Minister visited Venezuela to sign an energy accord on the sharing of the 10 trillion cubic feet of natural gas reserves in the Loran Fields located on their shared maritime border - split 75:25. The signing of the unitisation agreement, gives Trinidad and Tobago a source of supply for the Train X.

These new discussions also focused on Venezuela's consideration of taking an interest in the development of 'Train X', a natural gas line being that the Loran-Manatee should be landed in Trinidad since a 56-inch pipeline which was recently laid in his country is designed to take another 800 million cubic feet of gas. Because of the location of that gas field, the economics of bringing the gas to shore is a worthwhile one.

Venezuela, in the meantime, despite its plans to become a net exporter of natural gas this year, is still lagging behind with its US\$2.7 billion LNG export plant in Giria, from which gas from the Mariscal Sucre project and the Deltana Platform would feed to produce 4.7 million tonnes of LNG annually.

Trinidad which is already processing crude oil from Venezuela and Brazil at its state-owned Petroleum Company of Trinidad and Tobago Limited (Petrotrin) has made a proposal to Venezuela to partner on the upgrade of the refinery. Petrotrin is looking at a \$800 million project to improve the gasoline it refines. The refinery upgrading project is aimed at an improved product mix, with improved gasoline and lighter distillates yields, and increased compliance with certain environmental specifications, greater reliability, and, over the longer term, lower refining unit costs.

The discussions also looked at collaboration with Venezuela regarding the construction of a new oil refinery in Trinidad, capable of processing 250,000 barrels of crude per day developing a second refinery which will have the capacity to treat the fuel oil coming out of the Petrotrin refinery. Another aspect is gas/oil optimisation, part of which is the construction of a gas to liquids plant, whose output will be sold to the higher-end markets.

Source: CEIS Update 2007