



Joint Select Committee on Energy Affairs

Public Hearing Summary

Wednesday February 21, 2018 at 2:12 p.m.

Topic:

Continuation of the Inquiry into the Strategies and Incentives to Promote New Production in the Energy Industry with Specific Focus on Oil and Gas Companies and the Lashley Report.

Committee Members:

The following Committee Members were present for the meeting:

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| • Mr. Colm Imbert, MP | Chairman |
| • Mr. Stuart Young, MP | Vice-Chairman |
| • Mr. David Lee, MP | Member |
| • Mr. Gerald Ramdeen | Member |

Witnesses who appeared:

PETROTRIN

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| • Mr. Wilfred Espinet | Chairman |
| • Mr. Reynold Ajodhasingh | Deputy Chairman |
| • Mr. Anthony Chan Tack | Director |
| • Mr. Nigel Edwards | Director |
| • Mr. Fitzroy Harewood | President |
| • Mr. Stephen Awah | Vice President, Exploration and Production |
| • Mr. Astor Harris | Vice President, Refining and Marketing |
| • Mr. Neil Derrick | Vice President, Human Resources and Corporate Services |
| • Mrs. Sharon Morris-Cummings | Corporate Secretary |
| • Mr. Andre Hosein | Senior Manager, Law and Land Management (Ag.) |

Ministry of Energy and Energy Industries

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| • Mr. Selwyn Lashley | Permanent Secretary |
| • Ms. Penelope Bradshaw-Niles | Deputy Permanent Secretary |

Key Issues Discussed:

1. The presentation by Petrotrin on “The Way Forward” for the company highlighted the following issues:
 - Petrotrin’s low rank at the bottom of the fourth quartile within the international oil industry based on the benchmarks from the world’s leading firms Solomon Associates and Mc Kinsey & Compnay against data from Latin American and Gulf Coast Oil Companies;
 - Projected Free Cash Flows for Petrotrin over the next five years based on the existing operational conditions with no changes;
 - The challenges faced by Petrotrin to ensure the continuation of the company;
 - The optimization of production for the Refining and Manufacturing for Petrotrin;
 - The urgency and need of an additional US\$300M required to complete the Ultra-Low Sulphur Diesel (ULSD) project by 2021;
 - Petrotrin’s goal to ‘break even’ and have a free cash flow where all outstanding debts are paid;
 - Petrotrin’s current debt management capabilities and the way forward of the new Board;
2. The lack of responsibility towards the continuity of the operational management of Petrotrin;
3. The inability of Petrotrin to pay approximately TT\$3B in royalties and taxes to the state;
4. The restructuring of Petrotrin’s operational structure into Upstream and Downstream and financial reform of the company over an 18 month period;
5. Stakeholder, iInvestor and employee engagement and agreement to the operationalization of the ULSD Project;
6. The need for the completion of the ULSD project by 2021 to ensure the continuation of the operations of Petrotrin;
7. The funds allocated to ULSD project as follows:
 - Initial projection for the Project in 2009- US\$112M
 - Cost of project thus far- US\$400M
 - Projected allocation for completion by 2021- US\$300M
8. Petrotrin intentions to utilize the benchmarks provided by the firms McKenzie and Solomon Associates to improvement Petrotrin’s competiveness within the next two (2) years.

View the Hearing:

The hearing can be viewed on our YouTube page via the following link:

<https://www.youtube.com/watch?v=CUJ6wCQepY0>

Contact Information:

You may contact the Committee's Secretary at jscenergyaffairs@tparliament.org or 624-7275

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Committees Unit

February 23, 2018