



# Foreword

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Trinidad and Tobago is proud to attain the milestone of being a commercial producer of petroleum for the past 100 years. We consider this to be an outstanding achievement for any country, and particularly impressive for a nation of our size.

## Trinidad's Pioneering Role

This landmark is made more remarkable by the fact that we almost started this international industry which has propelled the progress of human civilisation for almost 150 years. The first successful oil well in the world was drilled in Trinidad in 1857 by the American Merrimac Company. Though commercially non-viable, the historical significance of this well is undeniable, especially since it took place two years before Drake's discovery in Pennsylvania, which is accepted as the start of the modern international oil industry.

Trinidad and Tobago was indeed part of the pioneering effort in an industry that has played a major part in shaping the modern world. Therefore, at this historic time, we must remember the groundbreaking work of Walter Darwent and his Paria Oil Company; the Trinidad Lake Petroleum Company; Randolph Rust, recognised as the father of the oil industry in Trinidad and Tobago and his partner John Lee Lum; and Arthur Beeby Thompson, among others. Through their cumulative effort over a period of five decades, oil production started in Trinidad in 1908. By 1910, annual production had reached 47,000 barrels. Our production has been fluctuating and today we produce an average of 115,000 barrels of oil per day, having already attained the daily production high of 240,000 barrels.

The petroleum industry provided early engagement of Trinidad and Tobago in international affairs. From the first refinery, established here around 1912, came the fuel oil for British naval ships which made them more effective in their battles during the First World War. And most importantly, petroleum gave us early experience of the growing globalisation of the world economy through the effective collaboration, from colonial times, with international energy companies for the production of oil for the world market. With the attainment of independence, there were appropriate adjustments in this relationship which was further modernised in the final decades of the last century for the greater mutual benefit of all concerned.

## A Blessing for Trinidad and Tobago

The energy industry has undoubtedly been a blessing for Trinidad and Tobago. It has played a foundational role in the development of our country, contributing very significant resources for human

development and security, infrastructural progress and expansion of the wider economy of our nation. Its contribution has ensured that we can now realistically pursue the vision of transforming Trinidad and Tobago into a developed nation.

Most importantly, this industry was a catalyst for the growth of national mobilisation and the development of social and political consciousness. Labour unrest in 1937 in the oil belt led to the founding of the modern trade union movement by T.U.B. Butler who struggled on behalf of workers, and who also formed one of the country's early political parties which was very successful in the national elections of 1950. This experience undoubtedly raised social consciousness and pointed to greater national political mobilisation which was realised in 1956 through the formation of the People's National Movement by Dr Eric Eustace Williams, who led this country to independence and full sovereignty.

## Making Trinidad and Tobago a Stronger International Partner

Our success with petroleum has also positioned us as an effective partner with countries in our own region and beyond. In the 1970s, for example, Trinidad and Tobago established the Oil Facility to assist CARICOM partners in facing the energy crisis of the period. Only recently, in 2006, we established the CARICOM Petroleum Stabilisation Fund to which we have already contributed close to US\$1.2 billion for the development and security, including disaster relief, of all member states of CARICOM, except Trinidad and Tobago. Also, through our Africa Initiative, we have offered to provide technical assistance, at no cost, to several countries in West, Central and East Africa for the development of their energy resources. A high-level delegation from the Economic Community of West African States (ECOWAS) has already visited and indicated interest in applying 'The Trinidad Model' in their respective countries.

At the technological level, Trinidad and Tobago has contributed to a number of notable firsts, such as gamma ray well logging in production and commercial n-butane isomerisation in the refining industry.

## Future Developments

There are very positive prospects for our energy sector. The industry has already been expanded and diversified and since the 1990s, natural gas has been playing an increasingly dominant role. Today we are the fifth largest producer of Liquefied Natural Gas in the world, as well as the leading global exporter of ammonia and methanol.

Based on our proven reserves and on significant ongoing exploration activity, reputable industry assessment has realistically projected increased discovery and development for the foreseeable future. We will therefore continue with our aggressive development programme to bring natural gas online for the demands of our industrialisation process. New field developments are in progress and we have agreed to offer acreage in the potentially rich Trinidad and Tobago Deep Atlantic.

This will fuel the greater diversification of our nation's economy as we now make a giant step forward with certain strategic gas-based industries. Several key projects, at a total cost of approximately US\$8 billion, are now at various stages either in construction or moving towards the start of ground works. These are:

- a Gas to Polypropylene plant to establish a major plastics industry in our country;
- an aluminium smelter to produce 125,000 metric tonnes of aluminium annually;
- a Maeleic Anhydride Processing Facility for the production of preservatives;
- a petrochemical complex for the production of Melamine and Urea Ammonium Nitrate;
- an iron and steel complex as well as a Foundry Industry for the further manufacture of steel and steel products;
- a Methanol to Power project for further power generation;
- a Caustic Soda/ Calcium Chloride plant to produce 100,000 tonnes of calcium chloride per year;
- the upgrading of our main refinery including the establishment of a Gas to Liquids plant at this location; and
- as a pilot project, a plant to produce animal protein from natural gas, as an alternative to soyabean.

These new industries will produce the materials for the creation of multifarious products for use in manufacturing, construction, agriculture and agri-business, transportation, health care, and in the household, among others. The energy sector will therefore now unleash a tremendous new wave of industrial activity in Trinidad and Tobago, making our country the new industrial hub of the wider Caribbean region. The international and regional business community should therefore take note, especially our Caribbean and regional neighbours, who will have the opportunity to source

products for developing their own manufacturing sector for exports to the expanding markets worldwide.

## The Continuing Importance of Petroleum

The petroleum sector will therefore continue to be pivotal in the development of Trinidad and Tobago. However, we are aware that, with the problems associated with both global warming and the excessive demands of global growth, the search must be on for greater energy efficiency as well as for alternative sources of supply.

Trinidad and Tobago has joined that search. With the increasing use of natural gas, we have already moved in the direction of 'greening' our economy. We are also now developing a policy for the pursuit of energy from renewable sources like wind, solar, waves, bio-mass and geothermal. We are also constantly improving efficiency in the use of energy.

In the meantime we will continue to manage our petroleum resources with the wisdom and experience gathered over the past 100 years. Our country has been blessed with one of the most precious resources of our planet which will continue to be critical for human progress in the 21st century. We will continue to improve its utilisation for the benefit of our people and for our contribution to the sustainable development of human civilisation. □

Well No. 2 of the General Petroleum Properties of Trinidad Ltd, circa 1910

