



Trinidad & Tobago
EITI Report 2010-11

MAKING SENSE OF
**T&T'S
ENERGY**
DOLLARS

Report Summary 30 September 2013



1. INTRODUCTION

Trinidad & Tobago is one of 41 countries worldwide that are currently implementing the Extractive Industries Transparency Initiative (EITI). Membership in the EITI requires publication of an annual EITI Report. T&T published its first EITI Report on 30 September 2013. Get the full TTEITI Report 2011 at www.tteiti.org.tt/eiti-reports. This Report Summary is an introduction to that Report, which all stakeholders are encouraged to read, and seek any clarification needed with the TTEITI Secretariat at 'tteitisec@gmail.com.'

2. WHAT IS THE EITI?

The EITI is a voluntary international coalition of governments, extractive industries companies and civil society organisations engaged in the

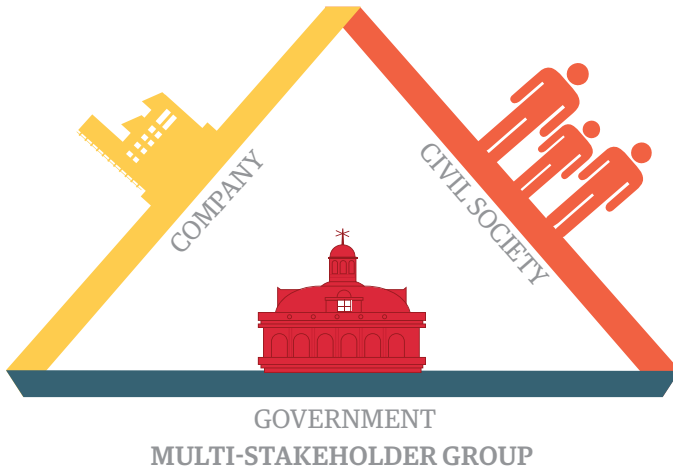


Figure 1

management of natural resources, e.g. oil, gas and minerals. See www.eiti.org. Natural resources belong to a country's citizens. The EITI promotes greater transparency around how a country manages its natural resource wealth to ensure that those resources benefit all citizens.

On 1 March 2011, T&T gained membership as a Candidate Country of the international EITI. We will shortly undergo validation to assess our progress in meeting the EITI Standard. Our goal is to achieve EITI Compliant Country status in 2014.

The extractive sectors cover the upstream sector, the midstream sector and downstream sector. In T&T, the EITI's initial focus is on the upstream sector, i.e. the exploration for and extraction of natural resources. The other sectors will be included in due course.

3. EITI BENEFITS



Implementation of the EITI in Trinidad & Tobago brings these benefits:

- greater transparency in the management of the extractive sectors resulting in increased Civil Society understanding of and participation in the process,
- an improved investment climate for business,
- strengthened government accountability and revenue collection,
- promotion of greater economic stability and
- an enhanced participatory democracy.

4. ENERGY SECTOR'S IMPORTANCE



The energy sector contributes significantly to the economy and, over the period 2007 to 2011, has contributed on average 44% of GDP, 46% of Government revenue, and 85% of export earnings (*Central Bank of Trinidad and Tobago*).

Table 1: Energy Sector' Contribution to Economy (2007 - 2011)

Selected Economic Indicators	2007	2008	2009	2010	2011
Energy as % of GDP (constant prices)	45.0	50.8	37.1	43.9	45.3
Energy revenue as % of total revenue	55.5	57.5	49.5	51.8	57.5
Energy exports as % of total exports	97.0	88.2	85.4	82.8	82.3
Energy employment as % of total employment	3.7	3.4	3.3	3.2	1.0

Over the period 2006 to 2011, T&T witnessed a 56% growth in Government expenditure, from \$TT27 billion in 2006, to TT\$42 billion in 2011. This increase in expenditure was the result of higher energy sector revenues. Although revenues fell sharply in 2009, there was no moderation in the trend of increasing expenditure. The largest increase occurred in the area of transfers and subsidies. This category captures Government's direct sharing of energy wealth with its citizens through the Petroleum Fuel Subsidy among other social goods.

Distribution of Government Current Expenditure 2006 - 2011

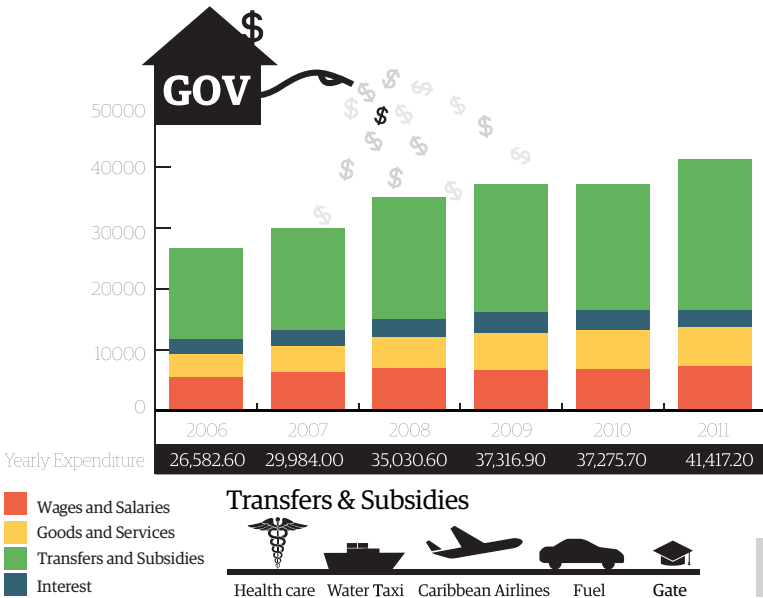


Table 1

5. EITI REPORT 2011

The EITI Report is an independent reconciliation of declared payments made to Government by extractive industries companies with Government's declared corresponding receipts. In other words, what companies said they paid to the government in a given year is compared to what government said they received. The exercise is undertaken by an independent accounting firm called the EITI Administrator.

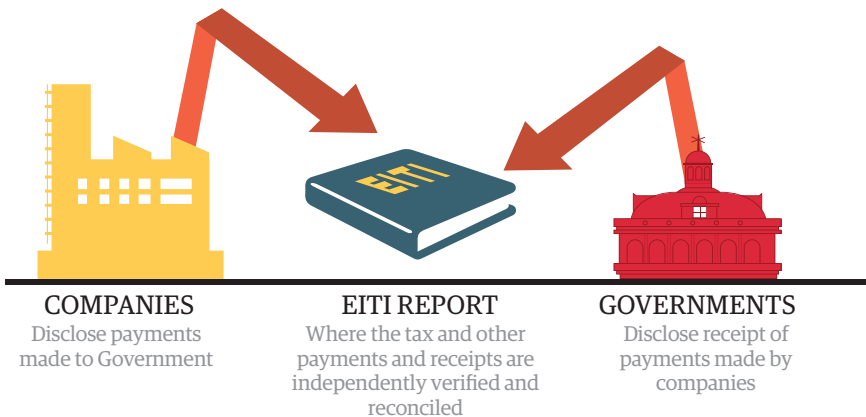


Figure 2

T&T's first EITI Report, covering Government's fiscal year 2011 (1 October 2010 to 30 September 2011), was published on 30 September 2013 ([website:www.tteiti.org.tt/eiti-reports](http://www.tteiti.org.tt/eiti-reports)). The TTEITI Report 2011 reconciles upstream extractive companies' declared tax and other payments with Government's declared receipts. The Report showed that TT\$23.181 billion was earned from the country's upstream oil and gas sector in 2011. bpTT was the single largest contributor to Government revenue with payments totaling more than TT\$9.9 billion.



Summary of flows after reconciliation

	Government (TT\$ m)	Extractive Companies (TT\$ m)	Difference (TT\$ m)	%
Total payments declared as at 27 September 2013	23,181.2	23,254.4	-73.2	-0.3%

Table 2

The EITI Administrator reported a 0.3% or TT\$73 million difference between what the companies reported as paying and what Government reported as receiving. This was attributed to (i) differences arising from the use of different exchange rates by the Government and companies in converting foreign currency payments, and (ii) a timing difference on the receipting of a payment made by a company to the Government before the end of one fiscal year and its deposit during the following fiscal year. No unaccounted for differences were discovered during this independent reconciliation.

What was reported?

The companies and Government departments completed reporting templates showing the amounts paid and received respectively for material flows from the oil/gas sector to Government, namely:

- Supplemental Petroleum Tax
- Petroleum Profits Tax
- Unemployment Levy
- Corporation Tax
- Green Fund Levy
- Withholding Tax
- Royalty
- Minimum rent - E & P
- Annual licence acreage payments
- Petroleum Production Levy
- Petroleum impost
- Production Sharing Contract (PSC) share of profits
- PSC signature bonuses
- PSC bidding fee
- Other payments under PSCs
- Dividends paid by state owned companies
- Social payments
- Payments in kind

Flows to Government by payment type

Company Name	2010 - 11 template originally submitted		Adjustments		2010 - 11 final report	
	Government	Company	Government	Company	Government	Company
	TTS	TTS	TTS	TTS	TTS	TTS
Bayfield Energy Trinidad Limited	4,807,628	0	4,807,628	-4,502,273	305,355	0
Bayfield Energy (Galeota) Limited	14,620,657	40,888,947	-26,268,290	31,302,171	45,922,828	45,951,385
BC International Limited	433,181,425	520,424,370	-87,242,945	9,969,778	443,151,203	443,625,774
BC Trinidad 5(a) Limited	13,576,481	0	13,576,481	-13,576,481	0	0
BC Trinidad and Tobago Limited	1,007,206,931	1,085,516,582	-78,309,650	77,243,651	1,084,450,582	1,085,516,582
BC Trinidad Central Block Limited	265,785,789	211,835,341	53,950,448	0	265,785,789	265,852,064
BC Group	1,719,750,625	1,817,776,292	-98,025,666	73,636,948	1,793,387,573	1,794,994,419
BHP Billiton (Trinidad-2c) Limited	825,341,573	1,195,598,418	-370,256,845	-31,738,919	793,602,654	793,602,654
BHP Billiton (GA) Limited	4,463,170	4,463,170	0	0	4,463,170	4,463,170
Amoco Trinidad Gas BV Trinidad branch	85,916,271	85,946,816	-30,545	36,605	85,952,876	85,952,876
BP Exploration Operating Co Ltd Trinidad branch	0	0	0	0	0	0
BP Trinidad and Tobago LLC Trinidad branch	9,833,411,887	9,902,551,912	-69,140,025	29,970	9,833,441,857	9,833,441,857
BP Group	9,919,328,158	9,988,498,728	-69,170,570	66,575	9,919,394,733	9,919,394,733
Centrica (Horne & Wren) (BLKia)	5,685,218	4,109,490	1,575,728	-1,576,503	4,108,715	4,109,490
Centrica North Sea Gas Ltd - (BLKIB)	3,927,053	4,076,850	-149,797	149,032	4,076,085	4,076,850
Centrica North Sea Oil Ltd (NCMAA)	40,189,939	41,949,530	-1,759,591	1,609,843	41,799,782	41,949,530
Centrica Resources Ltd (BLK22)	7,972,051	9,401,759	-1,429,708	1,422,182	9,394,233	9,401,759
NSGP (Ensign) Ltd	0	0	0	0	0	0
Centrica Group	57,774,261	59,537,628	-1,763,367	1,604,554	59,378,815	59,537,628
Chaoyang Petroleum (Trinidad) Block 2C1 Limited	0	0	0	0	0	0
Chevron T&T Resources	570,915	0	570,915	0	570,915	570,915
ENI Trinidad & Tobago Exploration	81,068,576	61,692,548	19,376,028	0	81,068,576	81,068,576
EOG Resources Trinidad - U(A) Block Limited	490,931,381	567,777,574	-76,846,193	6,464,898	497,396,279	496,988,539
EOG Resources Trinidad Block 4(A) Unlimited	85,932	4,327,475	-4,237,475	4,249,840	4,335,772	4,332,406
EOG Resources Trinidad U(B) Block Unlimited	33,572,592	50,152,036	-16,579,445	4,563,888	38,136,480	38,102,185
EOG Resources Trinidad Limited	1,970,350,416	1,958,253,961	12,096,456	-14,067,255	1,956,283,161	1,957,172,644
EOG Group	2,494,940,321	2,580,506,977	-85,566,656	1,211,371	2,496,151,692	2,496,586,774
NGC	2,371,438,035	2,903,378,202	-531,940,167	462,312,985	2,833,751,020	2,903,378,202

Flows to Government by payment type

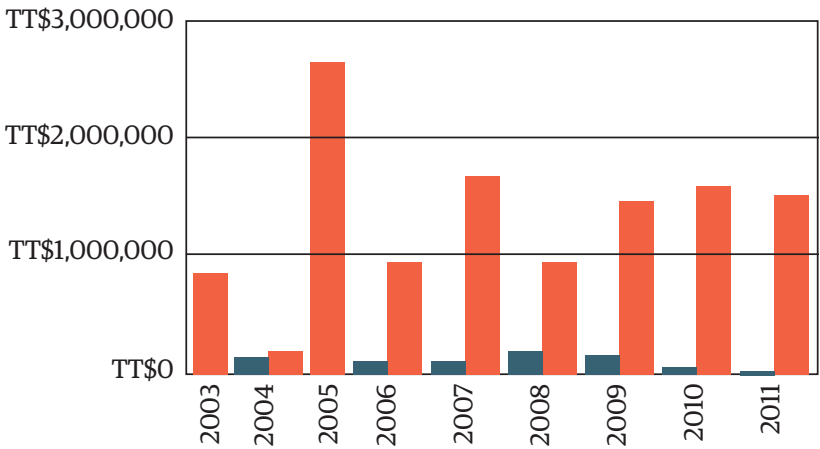
Company Name	2010 - 11 template originally submitted			Adjustments			2010 - 11 final report		
	Government TT\$	Company TT\$	Difference TT\$	Government TT\$	Company TT\$	Difference TT\$	Government TT\$	Company TT\$	Difference TT\$
Niko Resources (Trinidad and Tobago) Ltd.	6,578,472	11,460,948	-4,882,476	4,882,476	0	11,460,948	11,460,948	0	
Voyager Energy (Trinidad) Ltd	12,075,778	17,924,142	-5,848,364	5,845,070	0	17,920,848	17,924,142	-3,294	
Niko Resources (Block 4B Caribbean) Limited	49,265,888	47,438,551	1,827,337	0	1,996,529	49,265,888	49,435,080	-169,192	
Niko Resources (NCMA2 Caribbean) Limited	89,872,637	88,318,759	1,553,879	0	1,872,139	89,872,637	90,190,898	-318,260	
Niko Resources (NCMA3 Caribbean) Limited	23,496,431	23,927,188	-430,757	0	0	23,496,431	23,927,188	-430,757	
Niko Resources Group	181,289,206	189,069,587	-7,780,381	10,727,546	3,868,668	192,016,752	192,938,255	-921,503	
Petroleum Company of Trinidad and Tobago Limited	3,478,053,030	3,445,443,683	32,609,348	0	33,336,892	3,478,053,030	3,478,780,575	-727,544	
Trintomar	93,564,500	99,830,211	-6,265,711	0	-6,315,950	93,564,500	93,514,261	50,239	
Petrotrin	3,571,617,530	3,545,273,894	26,343,637	0	27,020,942	3,571,617,530	3,572,294,836	-677,305	
Primera Block 3b Ltd	0	0	0	0	0	0	0	0	
Primera Block 4a Ltd	0	0	0	0	0	0	0	0	
Primera East Brighton Ltd	0	0	0	0	0	0	0	0	
Primera Modified U(b) Ltd	0	0	0	0	0	0	0	0	
Primera Oil & Gas Ltd	39,989,315	34,272,955	5,716,360	0	5,726,130	39,989,315	39,999,085	-9,770	
Primera Rock Dome Ltd	0	0	0	0	0	0	0	0	
Primera Group	39,989,315	34,272,955	5,716,360	0	5,726,130	39,989,315	39,999,085	-9,770	
Repsol E&P TT Ltd	1,272,185,548	1,273,015,020	-829,472	829,472	0	1,273,015,020	1,273,015,020	0	
Ten Degrees North Operating Company Limited	20,715,104	20,642,245	72,859	12,372	85,231	20,727,476	20,727,476	0	
Elf Exploration Trinidad BV	0	0	0	0	0	0	0	0	
TOTAL E&P Trinidad Block 2C Limited	0	0	0	0	0	0	0	0	
TOTAL E&P Trinidad Block 3A Unlimited	0	0	0	0	0	0	0	0	
Total Group	0	0	0	0	0	0	0	0	
Lease Operators Ltd	55,856,830	55,856,830	0	0	0	55,856,830	55,856,830	0	
Total Flows	22,635,757,455	23,770,471,441	-1,134,713,987	545,462,802	-516,091,483	23,181,220,256	23,254,379,958	-73,159,702	

Table 3.2

A summary of the payments by companies to the Government and their reconciliation efforts are recorded in the preceding tables.

While the contribution of mining (quarrying) sector companies was not assessed in the first EITI report, the Report does note that annual royalties paid by quarrying companies averaged TT\$1.3 million during the period 2003 - 2011. The mining sector will be included in the future as the EITI scope is progressively expanded.

Annual Royalties Received from Quarries



Asphalt Quarries, sand and gravel pits

Table 4

6. TTEITI STEERING COMMITTEE

A Cabinet appointed Multi-stakeholder Steering Committee comprised of Government, Civil Society and company representatives was charged with overseeing the EITI implementation process in Trinidad & Tobago. The members of the TTEITI Steering Committee are as follows:

- Victor Hart, Chair
- 6 Government representatives (3 ministry and 3 state-owned companies):
 - Ministry of Energy and Energy Affairs (MEEA)
 - Ministry of Finance

- Board of Inland Revenue
- Petroleum Company of Trinidad and Tobago Limited
- The National Gas Company of Trinidad and Tobago Limited
- National Quarries Company Limited
- 4 representatives from privately-owned oil and gas companies:
 - bpTT LLC
 - BG Trinidad and Tobago Limited
 - BHP Billiton Trinidad and Tobago
 - EOG Resources Trinidad Limited
- 8 Civil Society representatives:
 - The Energy Chamber of Trinidad and Tobago
 - Trinidad and Tobago Transparency Institute
 - Trinidad and Tobago Chamber of Industry and Commerce
 - The Oilfields Workers' Trade Union
 - Fishermen and Friends of the Sea
 - The Network of NGO's for the Advancement of Women
 - The National Youth Council
 - The Cropper Foundation

7. WHAT ELSE IS IN THE EITI REPORT?



Readers can also find the following information in the full Report and its appendices:

1. Section 3, *Overview of the Extractive Sector in Trinidad & Tobago* that provides context for the financial data that follows
2. A list of all licensed quarry operators and oil and gas operators
3. Total 2011 Oil and Gas Production
4. Oil and Gas Reserves
5. Main Export Markets

8. CONTACT US

We welcome your feedback and look forward to answering your questions. Contact us and visit our website: www.tteiti.org.tt for regular updates on EITI implementation in Trinidad & Tobago.



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