Analysts, chamber hail Cliper agreement



File: Caribbean Energy Chamber CEO Eugene Tiah

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The new agreement between T&T-founded energy company Cliper Group and Venezuela's state-owned oil company PDVSA is being viewed as a potentially significant opportunity for local energy service companies, with industry stakeholders saying it can help position this country to benefit from the rehabilitation of Venezuela's vast but ageing energy infrastructure.

The agreement, signed in Caracas last Friday between PDVSA Petróleo SA and Cliper Energy and Petroleum Company CA, the Venezuelan subsidiary of the Cliper Group, would see the companies collaborate on the reactivation and development of the Pedernales oilfield in Delta Amacuro State.

The field, located in the Gulf of Paria just off Trinidad's southern coast, is estimated to contain 104 million barrels of recoverable oil.

Under the terms of the arrangement, Cliper would participate in restoring production at the mature oilfield over a 25-year period.

Energy Minister Dr Roodal Moonilal described the development as positive, highlighting the potential benefits for local energy service providers as well as future opportunities for wider energy cooperation between the neighbouring countries.

The Energy Chamber of T&T welcomed the agreement, noting that Venezuela's existing onshore energy infrastructure requires extensive rehabilitation after years of underinvestment and operational difficulties.

In a statement, the chamber said many local energy service companies are ideally positioned to support those efforts, saying they are uniquely positioned to provide the expertise needed for these critical restoration and maintenance programmes, ensuring safe and sustained production.

The organisation said collaboration between the two countries could also generate tangible benefits for both sides.For Venezuela, it could assist in restoring production, create jobs and improve the safe operation of energy assets.

For T&T, it provides new opportunities for local companies to export technical expertise, expand operations and earn valuable foreign exchange.

CEO of the Caribbean Energy Chamber, Eugene Tiah, further noted the presence of T&T firms in Venezuela's energy sector is not a new phenomenon despite the recent attention surrounding the Cliper-PDVSA agreement.

He pointed to the long history of companies such as Tucker Energy Services working across the border, adding that generations of energy professionals from T&T have built careers through projects linked to Venezuela.

According to Tiah, while recent diplomatic tensions may have obscured those longstanding relationships, many T&T firms continued operating in Venezuela throughout difficult periods.

"They've been operating there almost below the radar, doing that type of work, employing a lot of people, locals, etc, going over there for quite some time," he said.

Former energy minister Carolyn Seepersad-Bachan agreed the proposed rehabilitation of 38 oil wells and the development of production and storage facilities could generate demand for a range of services that Trinidad and

Tobago is well positioned to provide.

She noted that local engineering firms, fabrication companies, marine operators, equipment suppliers and skilled energy professionals could all benefit if the project moves ahead.

However, Seepersad-Bachan cautioned that several questions remain unanswered, particularly regarding the project's structure and execution.

While Cliper Group is reported to have originated in T&T, she said additional information on the company's corporate structure, technical expertise, financial capacity and investment arrangements would be necessary to fully assess the project's viability.

She also highlighted the importance of understanding the legal and regulatory framework surrounding the agreement.

Given PDVSA's involvement and the continued application of United States sanctions on Venezuela's energy sector, Seepersad-Bachan said clarification is needed on whether the proposed operations fall under existing Office of Foreign Assets Control (OFAC) General Licences or if additional project-specific approvals would be required.

"The signing of an agreement does not necessarily mean that all regulatory requirements have been satisfied," she noted.