



World Gas Market Review

April, 2019

World Gas/Economic Review

- China and US economic battle keeps on impacting international commerce with unstable tariffs, the “tit for tat” continues...
- The Chinese government has lowered investments in Latin America, thanks to new deals in the Asian continent and war trade with the US.
- Brexit deal has been postponed until September 2019, European States begin slow, yet influential distance with the United Kingdom due to uncertainty.
- China and Japan maintain their position as top Natural Gas importers in the world.
- Colombia increases Natural Gas demand and considers a need to increase exploration and production as well.

Regional Impact

- Latin America is one of the most interesting regions of the world, not only because of the amount of resources and minerals, but also due to its broad market and its potential for development. The market for natural is wide open in this region, countries such as Venezuela, Brazil, Argentina, Trinidad and Tobago possess the largest amount of natural gas reserves.
- Bolivia reconsiders Argentina as a Natural Gas and supply importer, on the other hand Brazil supports this negotiation, seeing it as “just business”
- US sanctions to Venezuela can affect the commercial exchange between Venezuela and T&T.
- Caribbean islands increase by a 2% demand for Natural Gas.

Bolivia



- Argentina recognizes Bolivia as a stable and supplier of LNG.
- Bolivia will export LNG through Argentina`s ports.
- Incomes from future deals may be the “push” Bolivia has been seeking to increase production and keep on investments.
- Bolivia has also increased production in what is known to be photovoltaic modules and other raw material for green energy sources.
- **Will Bolivia maintain its position as Latin American top three LNG supplier?**

Brazil



- Brazil is the third largest LNG supplier in Latin America and number ninth in the world.
- Petrobras has invested in Natural Gas projects, considering the LNG demand grew significantly between 2012 and 2016, as a result of the Natural Gas use for electric power generation.
- More associated gas will flow from presalt.
- Brazil continues to maintain deals with Bolivia considering the Gasbol and Rio San Miguel - San Matias pipelines connecting both countries.

Argentina



- Tecpetrol oil company demands Argentina for changes in Gas rises.
- Argentina poses the largest solar farm in South America located in Jujuy, powered by funding and technology from China.
- Bolivia is looking at exporting NG via liquefaction terminals to be built in Argentina, and to buy crude from its southern neighbors. (Evo Morales, Bolivian President, 2019).

Mexico



- Mexico and the United States began new negotiations in the Gulf of Mexico, considering offshore oil and gas drilling and the American energy policy, with Trump`s administration.
- Mexico seems to be facing an oil production fall. Last fall Pemex stated that its crude output dip to 1.76 mb/d, lowest production levels since 1990. Action that has been reflected in their exporting activity, highlighting their exchange with United States.
- “Pemex 2019 budget includes \$170 million for 3 new NG projects.” (*Comisión Nacional de Hidrocarburos* , May 2019)

Colombia



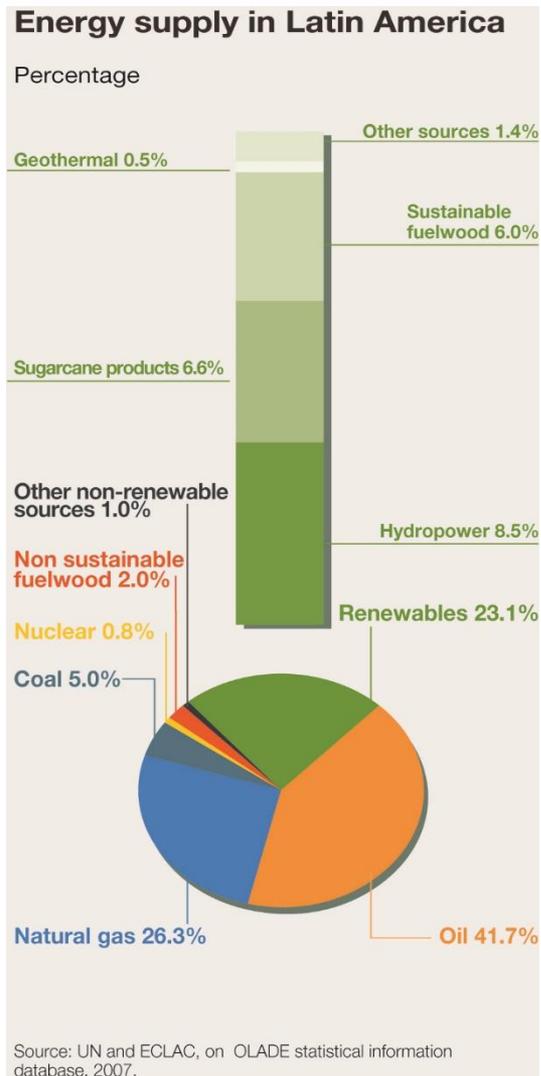
- SPEC (Sociedad Portuaria El Cayao) began operations at the first Colombian LNG regas terminal at Cartagena, positioning the country as one of the main new players in the LNG regional market.
- Colombia is likely to become another gas import country in the region. Gas prices show rise in this scenario.
- Venezuelan gas could flow in the Binational gas line if something happen in Venezuela in the short term.

Venezuela



- Venezuela begins 2019 “lonely”, seeing three major blackouts in history, international enterprises don't seek future investments.
- T&T is still pending on future NG deals with Nicolas Maduro and has growing expectations for business.
- US sanctions to Venezuela have enterprises pending, Repsol has warned the Venezuelan government that its permanency is attached to how the situation will evolve.
- Rosneft looking for opportunities in the crossborder fields with TT.

Check out in May!



- How is Venezuelan government dealing with US sanctions and how will it get by with an internal political instability affecting the business?
 - What Will happen with Chevron or Halliburton?
- Will Brazil be able to increase production in Natural Gas with PETROBRAS?
- TT shut down Train 1 in ATLNG.
 - What next's?
- Will China continue on investing in energy sector projects in Latin America? What will the US do
 - Eye on TT?



Thanks for your attention!

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