



MINISTERIO
DE ENERGÍA Y MINAS
REPÚBLICA DOMINICANA

**WORDS DELIVERED BY DR. ANTONIO ISA CONDE,
MINISTER OF ENERGY AND MINES OF THE
DOMINICAN REPUBLIC IN THE CONTEXT OF THE
REGIONAL “ENERGY AND DEVELOPMENT”
CONFERENCE HELD AT PORT-OF-SPAIN, TRINIDAD &
TOBAGO IN JANUARY 2016.**

- Hon. Raphael Trotman, Minister of Governance, Natural Resources and Environment-Guyana
- Hon. Darcy Boyce, Minister in the Office of the Prime Minister of Barbados, Energy, Telecommunications, Immigration and Investment. Barbados
- Dr Thackwray Driver, President and CEO of Energy Chamber

Excellencies, Distinguished Guests, Ladies and Gentlemen:

It is indeed a high honour for me to be present here in this scenario of exchange of valuable ideas on the energy industry and how it relates to development.

I am convinced that, owing to the quality of the renowned personalities accompanying us -some of which will be speaking at this forum- we shall garner significant inputs to contribute to the knowledge on the energy sector as a driver of economic development.

I also believe we are facing major opportunities to consolidate the exchanges among our countries on the subject of energy in terms of trade, investments, exploration and production.

It is the first time that a Minister of Energy and Mines from the Dominican Republic visits Trinidad & Tobago, our foremost supplier of gas and our second major hydrocarbon supplier.

Dominican Republic is –throughout the Caribbean basin- the main consumer of energy from Trinidad & Tobago where, incidentally, we can trace back to 1595 the first mention of the term “oil” in the American Continent, specifically in Pitch Lake.

Now, it is relevant to share with you a synopsis of the Ministry of Energy and Mines in the Dominican Republic, not only because it is the first time the head of this institution visits Trinidad & Tobago, but because it was an executive dependency recently established.

The institution I represent was established on July 30, 2013 by Law 100-13, mainly tasked with addressing policy making, oversight and assessment of energy and mining policies, including hydrocarbons, natural gas and nuclear energy.

Operations were effectively initiated on May 28, 2014 with the first minister appointed to the institution up to April 22, 2015. Since May of 2015, I have been heading the Ministry of Energy and Mines for nine months during which time we have focused on creating regulations to enable the functioning of the lead institution of the energy and mining policy of the Dominican State.

Special emphasis has been placed on creating the legal, regulatory and technical conditions to harness the potential the Dominican Republic has in terms of hydrocarbons, by fostering a favourable environment for investments in explorations and production activities.

What have we done in this direction? We have:

1. Established and put in motion the regulatory framework to guarantee clear-cut rules and investment certainty and the Ministry of Energy and Mining as the steering entity.

2. Rescued, organized, indexed and digitized geophysical information available in the Dominican Republic dating back 50 years which was scattered and therefore difficult to access by interested stakeholders.

3. Currently, we have digitized approximately 1,491 maps and drawings, 805 seismic profiles, 212 well logs, 321 files or reports and 209 magnetic tapes.

4. The information available has been exported to the more recent formats, as to enable the latest software on this area of expertise to use it as input to create models of the characteristics of our sedimentary basins.

5. Solely with information recovered from the physical maps, which were filed in very poor condition, we have stored in “.SEG Y” (the standard industry format) approximately 4,576 kilometres (2,843 miles) of 2D seismic lines.

6. Furthermore, we have recovered a series of authoritative reports from world renowned institutions such as the University of Texas at Austin and Universidad Complutense de Madrid, which have allowed us to add 8,126 additional kilometres (5,049 miles) of 2D seismic lines for a total of 12,690 kilometres (7,885 miles) of currently available seismic lines.

Ladies and gentlemen, for the first time through its entire history, the Dominican Republic is able to rely on information which rests in the relevant standard formats of the oil industry, which could be of great interest to attract companies engaging in explorations and productions of oil and gas.

Presently, Schlumberger-Surencó, a regional subsidiary of Schlumberger - one of the sponsors of this conference- and, in turn, the leading oil services provider worldwide, is working with the Dominican Government creating the National Hydrocarbons Database, the tectonic, structural and static model, with the modelling and analysis of the petroleum systems, and with the analysis and determination of the relevant *Plays*. An executive summary has been uploaded to the website of the Ministry at: www.mem.gob.do/DATOSHIDROCARBUROS and is available for those interested in more details.

The intent is to organize and produce high-value information that will serve as the basis to attract foreign investment in the areas of explorations and production of hydrocarbons.

It is worth mentioning that in matters of exploration and production of hydrocarbons (oil & gas) there is absolutely no concessions in force, thus, it could be said that the Dominican Republic is completely virgin to investments in these areas.

In the immediate future, we will launch an international public bidding process to enable the participation of companies with proven technical and financial capacity at the international level.

We aim to tender pre-formulated standard contracts to award them to the best offeror, always taking into account the best development and investment plans dealing with the corresponding areas (prospecting and drilling). To address this, we are preparing model contracts and the TORs of the bidding process we will be calling in the first quarter of this year to award exploration blocks.

Likewise, we are concurrently drafting a conventional and non-conventional hydrocarbon exploration and production regulation and, with the support of the Latin American Energy Organization (OLADE, per its acronym in Spanish), and Canadian cooperation funds, we are working on the standards of industrial and environmental security that will govern hydrocarbon production activities in the country.

We understand this is a relevant opportunity for the energy companies present here and any other world company interested in the Dominican Republic as an energy investment destination.

To give you an idea of the type of investment destination we are talking about, the Dominican Republic is a country which has just exceeded 10 million inhabitants and has an economically active population of 5 million persons. It enjoys institutional and social stability, under a democratic government elected by popular vote.

In the past year of 2015, the country's Gross Domestic Product (GDP) grew 7%, leading, for the second consecutive year, the relative growth performance of the remaining economies of Latin America.

It is highly satisfactory to point out that this sustained growth is happens within an environment of macroeconomic stability, evidenced by a low level of inflation which closed in 2015 at scarcely 2.34%, and a very moderate devaluation of the Dominican Peso of only 2.6%, in contrast with the strong depreciations experienced by the principal Latin American currencies vis-à-vis the United States Dollar.

The country, with its strategic geographical location, has important road infrastructure development, facilitating fast connections from any point, and world-class air and maritime port structures for foreign trade which - including imports and exports of goods- surpassed US\$26,500 million in 2015.

An essential part of its intangible capital is its people's friendliness, its beautiful beaches and an agreeable myriad of micro climates in both its mountains and its plains.

Not surprisingly, the Dominican Republic is today the Caribbean country which has received the most Direct Foreign Investment, again exceeding US\$2,000 million in 2015, that is, 3.8% more than the previous year.

We would be very pleased to see you accompany us in the development of the nascent energy industry of the Dominican Republic, taking advantage of these investment opportunities and the business climate we promote.

Thank you.