

The Virgin Islands Consortium

Guyana's Latest Oil Discovery Adds to Already Vast, 8 Billion Oil-Equivalent Barrel Reserves

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GEORGETOWN, Guyana, CMC – Guyana Tuesday reiterated that it would enact policies to ensure that citizens benefit from the country's resources as the US-oil giant, ExxonMobil said it had made its 18th discovery offshore Guyana at the Redtail-1 well.

It said that the discovery will add to the previously announced estimated recoverable resource of more than eight billion oil-equivalent barrels on the Stabroek Block.

"I assure you that the government will do everything possible to ensure benefits from this and other sectors enhance the lives of all our people," Natural Resources Minister, Vickram Bharrat , said in welcoming the latest discovery.

He said the new Irfaan Ali government “remains committed to the development of the oil and gas resources” and compliments the fiscal measures to be announced by President Ali when the emergency budget is delivered on Wednesday.

He said the ExxonMobil program “will play a pivotal role in our long term plans which will bring significant value to Guyana’s development.”

ExxonMobil said that the Stabroek Block exploration program continues to identify high-quality reservoirs in close proximity to previous discoveries, establishing efficient opportunities for new projects in Guyana.

“Developing these projects remains an integral part of ExxonMobil and our co-venturers’ long-term growth plans and a source of significant value for Guyana,” said Mike Cousins, senior vice president of exploration and new ventures at ExxonMobil.

The oil company said the Redtail-1 encountered approximately 232 feet of high-quality oil bearing sandstone and was drilled in 6,164 feet of water. The well is located approximately 1.5 miles northwest of the Yellowtail discovery.

In addition to the Redtail-1 discovery, ExxonMobil said drilling at Yellowtail-2 encountered 69 feet (21 meters) of net pay in newly identified, high quality oil bearing reservoirs among the original Yellowtail-1 discovery intervals. This resource is currently being evaluated for development in conjunction with nearby discoveries.

ExxonMobil made the first commercial discovery in Guyana in 2015 and started production in December 2019 from the Liza Destiny floating production and offloading vessel (FPSO), which can produce up to 120,000 barrels per day.

ExxonMobil said it would continue to advance the Liza Phase 2 project, which is expected to startup in 2022 and produce up to 220,000 barrels per day. Construction activities are underway in Singapore on the Liza Unity FPSO.

A third production vessel for the Payara development, with production capacity of 220,000 barrels a day, is on hold pending government approval.

On Monday, Vice President Bharrat Jagdeo told reporters that while he would not divulge the plans being put forward in the negotiations, he was confident that the agreement would rebound to the benefits of all Guyanese.

The Stabroek Block is 6.6 million acres (26,800 square kilometers). ExxonMobil affiliate Esso Exploration and Production Guyana Limited is operator and holds 45 percent interest in the Stabroek Block. Hess Guyana Exploration Ltd. holds 30 percent interest and CNOOC Petroleum Guyana Limited, a wholly-owned subsidiary of CNOOC Limited, holds 25 percent interest.