

Guyana to sign agreement with Ghanaian oil firm

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THE government of Guyana, through the Ministry of Natural Resources, will tomorrow be signing off on a Production Sharing Agreement (PSA) with Cybele Energy for exploration activities in Block S 7. Minister of Natural Resources Vickram Bharrat announced that Cybele Energy—a petroleum company out of Ghana—is among six companies that were awarded a total of eight blocks offshore Guyana. 'Cybele has really advanced the negotiations with us to a stage where we would have finalised the agreement with them, and that is the company we will be signing with Tuesday at 9 a.m. (local time). And so, we are very happy to have them in country as well. They will be bringing a partner from one of the major operators in Nigeria as their operator,' Bharrat said.

He said the PSA would be identical to the one signed in November with TotalEnergies along with its co-venturers Qatar Energy and Petronas.

The PSA includes a royalty of 10% on all petroleum produced and sold by the contractor, 50-50 profit-sharing provisions after cost recovery, and 65% cost recovery.

Once the agreement is signed, Cybele would be required to pay a signing bonus of US\$15M to the Government of Guyana.

The agreement signed with TotalEnergies and its partners, covers shallow water Block – S4. The group is the first from among the six bidders to have signed off on a PSA since the initiation of the 2022 Licensing Round.

TotalEnergies has a 40% share in Block S4, while QatarEnergy and PETRONAS have 30% each. Block S4 spans an area of approximately 1,788 square kilometres, located 50 to 100 kilometres off Guyana's coast in water depths ranging between 30 and 100 meters.

The Natural Resources Minister said the Government still negotiating with the other companies that were awarded blocks based on the 2022 Licensing Round.

Those companies are: Sispro Inc.; International Group Investment Inc. and Montego Energy; ExxonMobil, Hess and CNOOC; and Delcorp Inc, Watad Energy and Arabian Drillers.

'During the bid round there were a few companies that were awarded blocks, of course, TotalEnergies, Qatar and PETRONAS consortium, we would have signed with them. Exxon was awarded one, we are still in talks with Exxon on the S8 Block, and then there was the Investment Group from

Africa, they were awarded one too. Delcorp was awarded a deep water block too, Sispro too as well and Cybele,' Bharrat said.

A third PSA is expected to be signed before the end of the year. Currently, only US oil giant Exxon-Mobil and its partners are operating in the Stabroek Block.

Guyana began oil production in December 2019.

The country has moved from producing an average of 80,000 barrels of oil in 2020 to an average of 930,000 barrels of oil per day in the Stabroek Block.