

New oil discoveries in Guyana continues during the covid pandemic

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With a looming second wave of covid that can lead to lockdowns across the world, this global pandemic will not spare the small South American country, Guyana, even with its new oil boom and many continuous oil discoveries, where oil production had commended in December 2019 in the Stabroek Liza Phase 1 block.

In September 2020 oil continued to spiral down with great losses, and thus there's no exception for this small-impoverished South American country in the Latin America and the Caribbean regions. But there's hope. According to the article Oil & Gas Stock Roundup: Hess' Guyana Oil Find, Equinor's Offshore Wind Deal & More, the writer states, '...the holiday-shortened week ended Aug 11, the crude sell-off deepened as U.S. oil stocks rose, breaking the six-week streak of declines.'

Recently the oil giant ExxonMobil with its 45% stake and its partners, Hess at 30%, and CNOOC at 25% which the Chinese off drilling company, announced another discovery known as the Redtail-1 well in the Stabroek block, and with the Yellowtail-2 bringing Exxon's discovery to eighteen with an estimated 8 million barrels of oil.

The Stabroek Liza Phase 1 project commenced in December 2019, the Liza Phase II project should begin in the middle of 2022 with 220,000 bpd. Exxon's third offshore project is the Payara oil field, which is expected to produce 220,000 bpd when its production begins in 2024.

The covid pandemic has not spared anyone and continues to destroy economies, businesses and people's lives across the world, but with the new president of Guyana, Mohammed Irfaan Ali, that was recently sworn in on August 2020, the government and people of Guyana are eager to work hard during these dark times to continue the country's economy growth, bringing more jobs and social programs for the people.

With all of the discoveries so far, it is expected that Exxon and its partners will produce approximately 750,000 bpd from the waters of Guyana. According to the article Exxon Moves Ahead With Major Guyana Oil Field, the writer states, 'Such a rate of production would turn the tiny Latin American nation sandwiched between Venezuela and Suriname into quite a large player on the international oil market.'

References:

Exxon's role in Guyana deepens as the government approves a massive \$9 billion oil-drilling project; Benji Jones; Oct 1, 2020

<https://www.businessinsider.com/exxon-in-guyana-government-approves-9-billion-oil-drilling-project-2020-10>

Exxon Moves Ahead With Major Guyana Oil Field

By Irina Slav - Oct 01, 2020, 9:00 AM CDT

<https://oilprice.com/Energy/Crude-Oil/Exxon-Moves-Ahead-With-Major-Guyana-Oil-Field.html>

Oil & Gas Stock Roundup: Hess' Guyana Oil Find, Equinor's Offshore Wind Deal & More

Nilanjan Choudhury

September 17, 2020

<https://finance.yahoo.com/news/oil-gas-stock-roundup-hess-123412742.html>

The Pandemic Will Not Crush Guyana's Oil Boom

By Matthew Smith - Oct 05, 2020, 4:00 PM CDT

<https://oilprice.com/Energy/Crude-Oil/The-Pandemic-Will-Not-Crush-Guyanas-Oil-Boom.html>

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