

Exxon was faced with a “drill or drop” decision regarding Kaieteur block – Routledge



By **Shikema Dey** October 20, 2023 0



Alistair Routledge - President of ExxonMobil Guyana

ExxonMobil was faced with a “drill or drop” decision regarding Guyana’s offshore Kaieteur Block, says President of the local affiliate, Alistair Routledge.

On September 28, Exxon indicated that it was leaving the block. Another partner in the block – Hess, also walked away.

Prior to this, Exxon had planned to execute a 12-well drill campaign there.

Explaining the move, Routledge said “...our decision...was that we were faced with a drill or drop decision on the agreement we had with the other owners in the [Kaieteur] block. ...as we looked at that decision and the timing on which we would have to make the commitment, it did not compete with the other opportunities.”

Routledge made it clear that is in no way indicative of the block's prospectivity, adding "...it is not that we dislike the block, we feel we have put a good deal of investment in it."

With Exxon gone as operator, Routledge said it gives the remaining partners – Ratio Petroleum and Cataleya Energy Limited – the opportunity to move forward with planned activities in the block.

Both Exxon and Hess are seeking the government's approval to reassign their participating interests in the block to give Ratio and Cataleya a 50% participating interest.

Ratio is expected to become the operator. It is already in discussions with major oil companies with a view to bringing new entrant(s) to the block.

Exxon had said its exploration efforts and discovery of oil in the Kaieteur block have highlighted Guyana's potential.

Its lone exploration well drilled at the block, **Tanager-1**, had indicated the presence of 65.3 million barrels. However, the find was too small to be commercial as a standalone development.

At present, Exxon has two blocks in its Guyana portfolio, Stabroek and Canje.

At Stabroek, Exxon has a 45% stake and is partnered with Hess (30%) and CNOOC (25%). At Canje, Exxon has a 35% stake, with TotalEnergies (35%), JHI Associates (17.5%) and Mid-Atlantic Oil & Gas (12.5%).

Approval was recently granted for Exxon to drill 35 exploration and/or appraisal wells at Stabroek. As for Canje, Exxon awaits approval to drill 12 exploration and/or appraisal wells.

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