



MEDIA STATEMENT

Facts about the APNU+AFC’s despicable, almost criminal track record in Guyana's oil sector

Kingston, Georgetown, Guyana (April 27, 2024) When the Irfaan Ali-led administration assumed office in 2020, it audited the management infrastructure for the country's multi-billion-dollar petroleum sector, only to discover a deplorable state of affairs, given the abysmal leadership of the APNU+AFC administration. Fundamental regulatory and legislative tasks languished for years, leaving the country lagging in its preparedness to manage the sector. After correcting many of the grave missteps made by the APNU+AFC, that party now dares to stand on a clearly dizzying moral high ground, to lecture the government on what constitutes ‘effective contract management’.

It is appalling that the very party that sought to steal an entire nation through blatant attempts to rig the 2020 General and Regional Elections results, now preaches about the tenets of good governance and contract administration.

In response to recent falsehoods by the opposition about the government’s stellar track record, the Ministry of Natural Resources presents its response, herein, with a comprehensive list of the Granger-led government’s infractions in the management of this sector, and the slew of steps taken by the current administration to correct same.

APNU+AFC’s despicable track record	PPP/C government’s corrective measures, additional achievements
<p>1. Signed and negotiated in secret, an oil contract armed with a stabilization clause that prevents Guyana from making any changes to the Guyanese people’s share. APNU+AFC also hid this contract</p>	<p>1. The PPP/C administration is on record stating that the contract would not be renegotiated, due to respect for the sanctity of contracts and the devastating impacts such a course of action would have on the</p>

from the public for one year before caving to protests from local stakeholders and unrelenting pressure from the media to release the document that remains the greatest giveaway of our history.

2. Failed to pass a Local Content Act, leaving billions in oil sector expenditure to be awarded to foreign companies while locals made relentless calls for government intervention
3. Failed to overhaul the Petroleum Act, which was 34 years old by the time the PPP/C reassumed office in 2020
4. Failed to get the Gas-to-Energy project off the ground, despite continuous increases in national power demand
5. Dilly-dallied on the Stabroek Block oil audits
6. Unjustly instituted a Natural Resource Fund (NRF) that would have produced a power-drunk minister, and which had such a complex withdrawal rule that it was criticized by the Inter-American Development Bank (IDB) for conspiring against transparency and public understanding. All of this happened after they were ousted by a No-Confidence Motion and squatted in office as they tried to derail democracy and execute a foiled expedition to alter the will of the people

investment climate. To ensure maximization of value, the government proposed strengthening the legislative and regulatory framework for the sector, which it continues to do. It has also embarked on prudent contract administration to ensure the most efficient development and beneficial use of the resources while also securing benefits for locals beyond direct revenues.

2. The Local Content Act was passed in December 2021. Since this law's enactment to date, over US\$1 billion has been invested in the use and expansion of Guyanese goods, services, and skills in support of the petroleum sector.
3. The Petroleum Activities Act was passed in August 2023, positioning Guyana on the path of responsible, transparent and modern petroleum management.
4. Contracts awarded for the Gas-to-Energy project with significant works already underway. The project will slash energy costs by 50 per cent while delivering clean and reliable energy by 2025.
5. Two audits were completed for the period 1999 to 2017 and 2018 to 2020. As a manifestation of the government's objective of upskilling Guyanese for the petroleum sector, a local firm was hired for the 2018-2020 audit. The procurement process for an audit of more costs has started and the

7. Hid the US\$18 million signing bonus paid by ExxonMobil, lied about its existence, and said it was a gift when caught.
8. Granted the Liza Phase One Environmental Permit on the same day they received the 1500-page Environmental Impact Assessment (EIA) for the project. Not only does this prove they performed no review, but the permit also violated the law, as it was given a 20-year term despite the law allowing a maximum five-year term.

award of a contract is imminent.

6. A strengthened NRF Act was passed in 2021, with robust provisions to improve transparency and accountability such as forming a Board of Directors, a nine-member committee for effective oversight, and mandatory publication of petroleum revenue reports in the Official Gazette, with ten years imprisonment for non-compliance.
7. The Petroleum Activities Act clearly stipulates the instances where signature bonuses may be applied and the process for doing so. This was enforced for the 2022 Licening Round where the minimum signing bonuses of US\$10 million for shallow water blocks and US\$20 million for deepwater blocks were defined in the requisite Gazette Notice and the published Terms of Reference. These efforts further underscore this Government's commitment to transparency and accountability.
8. The government has ensured that the permits were brought into compliance with the law. All permits are now subjected to a rigorous review process.

ADDITIONAL ACHIEVEMENTS

9. The government overhauled environmental permits and included provisions for a US\$50 flaring fee, treatment of produced water per international standards, cradle-to-grave management of waste, having a capping stack

in-country, and demanding a subscription to another.

10. Guyana's first licensing round was executed, with awards to be made this year.
11. Introduced two modernised model PSAs based on industry-wide standards and best practices to govern deep and shallow water concessions. In these PSAs, the government also improved fiscal terms, with a new royalty rate of 10%, the lowering of the cost recovery ceiling to 65%, and a 10% tax on petroleum profits.
12. Strengthened the Field Development Plan (FDP) review process which takes a minimum of seven months. This now entails a more detailed review which has led to more fulsome submissions in line with international standards and stringent Petroleum Production Licences.
13. Secured a US\$2 billion parent company guarantee for oil spills, US\$600 million per occurrence insurance package.
14. Strengthened oil spill response and inspection capabilities, including requiring that well control technology be kept in-country which includes a first response toolkit, heavy debris removal tools and a capping stack.
15. Ramping up auditing capacity within Guyana Revenue Authority.
16. Implemented ICT infrastructure in the EPA to support real-time

monitoring of oil and gas activities offshore along with public databases with oil production data.

17. A landmark oil spill legislation is now in the pipeline.

18. Establishment of an Oil and Gas Department at GNBS in 2021, along with the provision of international training opportunities that allow the entity to play an effective role in monitoring the custody transfer of Guyana's crude from the Floating Production Storage and Offloading (FPSO) vessels offshore.

19. Implemented, where there was none before, a petroleum website, which keeps the public up-to-date about sectoral updates and production data.

20. In addition to legislative reforms, the government has embarked on the strengthening of its institutions by developing the technical capacity to achieve the most optimal outcomes. These include the Guyana Geology and Mines Commission, the Local Content Secretariat and the Ministry of Natural Resources.

21. Gas Monetization Strategy is currently at the stage of finalization.

22. Over 1,200 Guyanese are now part of training programmes for nearshoring opportunities in the oil and gas sector and will earn no less than US\$30,000 annually

23. Allocated \$420.5 million in 2022

	<p>to train 1,000 workers in a wide range of areas relevant to the sector. This programme which continues into 2026 will see up to 4,500 persons trained to take up jobs in the sector.</p> <p>24. To further the government's goal of preparing Guyanese for the petroleum industry, the administration inaugurated the Guyana Technical Training College in Port Mourant, Berbice, in early 2024. This institution will equip participants with hands-on experience in practical operations, troubleshooting, and maintenance tasks.</p> <p>25. Continuous training under the World Bank's Petroleum Resources Governance and Management Project loan</p> <p>26. Several MoUs have been inked with oil-producing nations such as Brazil, the Dominican Republic, Ghana, India, Qatar, the UAE, Suriname, Trinidad and Tobago, among others, for the strengthening of economic diplomacy in the oil sector.</p>
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Before the APNU+AFC Opposition ventures to heap coals on the continuous improvements the government is making in the petroleum sector, it must first answer for its record. It is tone-deaf for the Opposition to say that the government is not administering the Stabroek Block contract as it should. It demonstrates a fundamental misunderstanding of the issue. Effective contract administration involves rigorous monitoring and oversight of offshore operations to ensure compliance with the agreement's terms, and utilization of the terms to secure benefits for the people of Guyana.

In fact, the APNU+AFC administration faced years of public outcry to institute a Local Content Act and audit ExxonMobil's costs. These are arguably two of the most critical contract administration needs, but they were ignored. Today, Guyana's petroleum sector is governed by a modern legal framework, improved contracts, and environmental stringency.

The PPP/C administration has made substantial progress in rectifying the governance deficiencies inherited from the APNU+AFC era. These efforts have not only stabilized the sector but also positioned it for more sustainable and inclusive growth. The PPP/C government has continued to provide ongoing vigilance, adaptation, and community engagement which are crucial to ensure that the petroleum sector serves as a catalyst for broad-based economic development in Guyana.

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