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Will the big oil companies take up Venezuela's offer of concessions in the Essequibo?

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Written by: Jack Williams

Published on: December 8, 2023

The government of Nicolás Maduro expressed its willingness to deliver energy concessions to transnational companies to operate in Essequibo, after a referendum on Sunday where, he assured, **the majority of Venezuelans** voted to incorporate into the country the territory it disputes with Guyana.

But specialists consulted said that they have doubts about the possibility of transnational corporations jumping into



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the Venezuelan arena without hesitation, in the midst of an escalation of tensions over the controversial territory between Caracas and Georgetown that both claim as theirs, while pointing out that Maduro's statements could generate uncertainty among oil companies with tenders in Guyana.

Maduro announced on Tuesday a series of measures to vindicate Venezuela's "historical rights" over Essequibo and announced that a new state, Guayana Esequiba, will be created. He also announced a military zone in the territory, designated a "single authority" that will operate from Venezuelan soil, and authorized two state companies to grant energy concessions.

One of the nine announcements about Essequibo that Maduro made was the authorization to create divisions of the state-owned PDVSA Essequibo and the Venezuelan Corporation of Guayana Essequibo. The idea is for companies to grant "operating licenses for the exploration and exploitation of oil, gas and minerals" in the 159,000 square kilometers that Venezuela and Guyana have disputed for more than a century.

Maduro emphasized that he wants to hand over those licenses "immediately."

Venezuelan economist Aldo Contreras believes that energy transnationals will react cautiously to the supply.

"I very much doubt that companies like those that are already operating in Venezuela, such as Chevron or the Colombian company Ecopetrol, are going to do it," he told

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the **The Vermilion** the expert in international economic relations.

Contreras said that transnational companies in the energy sector “are always framed within international law. One thing is the decree (of Maduro) and another is what could happen in the coming days,” he stated.

The announcement of concessions to transnational companies could also be indicative that the Venezuelan State and its companies do not have the resources to finance projects in an area like Essequibo, the economist said.

In September, Guyana concluded its rounds of negotiations to award tenders to companies in 14 energy blocks and projects, some of which, according to Caracas, would be in maritime waters yet to be delimited.

On Tuesday, Maduro gave an ultimatum to transnational companies that are operating in those maritime areas. Caracas alleges that part of these operations occur in waters that belong to it. Maduro gave a period of three months for the transnational companies that bid with Guyana in those blocks, including nations allied to Chavismo, such as China, to abandon their projects and withdraw.

Maduro also seeks to prohibit the hiring of companies by Venezuela that “operate or collaborate in Guyana’s recent concessions.”

According to reports from Guyana, among the companies

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and consortiums involved are the American ExxonMobil; Sispro Inc (Guyana), and a consortium of TotalEnergies (France), Qatar Energy International E&P and Petronas (Malaysia).

Guyana specified that offers were presented by Delcorp Inc, registered in Guyana, but with Saudi capital, along with the Saudi companies Watad Energy and Arabian Drillers. Also Liberty Petroleum Corporation (USA) and Cybele Energy Limited (Ghana); and International Group Investment (based in Nigeria) and Montego Energy.

Hess and Exxon Mobil, from the United States, and the state-owned China National Offshore Oil Corporation are among the companies involved in those tenders.

Mariano de Alba, a lawyer expert in international law and diplomacy, said that these companies “clearly” are in Guyana’s territory.

According to de Alba, Maduro’s statements can generate “uncertainty.”

“There will be those who think that the risk increases, that they are exposing themselves to possible operations by the Venezuelan Navy eventually and who, therefore, ask for guarantees from Guyana or decide, as a precaution, to suspend their activities for a time,” he indicated.

Guyana’s President Irfaan Ali assured foreign companies that their investments were not at risk, despite the Guyanese defense forces being declared “on high alert”.

This Friday the Security Council is expected to learn about

This Friday, the Security Council is expected to learn about the recent steps taken by Venezuela regarding the territorial conflict.

So far, none of the companies have commented on the ultimatum given by Maduro last Tuesday.

(With information from Adriana Núñez Rabascal)

■ Economy



Jack Williams

Jack Williams established himself as the editor-in-chief of The Vermilion with rigorous journalistic traits and an incessant quest for truth. His career began as an investigative reporter, where he quickly gained a reputation for his in-depth research and insightful articles. Williams takes his role at The Vermilion very seriously. Since he became editor-in-chief, he has set an editorial line based on impartiality, factual accuracy, and context relevance; this has established The Vermilion as a reference for political, economic, and global news. Under his leadership, the media continues its mission of reporting news with accuracy and equanimity, giving a voice to those who are often overlooked by large-scale media. Jack dedicates himself to fulfilling this mandate with passion, rigour, and unwavering determination.

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