Oil in the Amazon

Pickthall House encourages the United Kingdom to invest in Guyana's burgeoning oil and natural gas sector

Pickthall House believes that expanding British investments and involvement in the Guyanese oil and natural gas sector would offer meaningful diversification of non-Russian Atlantic energy supply chains and reduce the UK's vulnerability to future shocks to the Eurasian energy market and supply. Establishing a greater British presence in the Caribbean on the border with Venezuela, as well as reducing reliance on American crude oil imports, could also grant the UK greater diplomatic and strategic leverage, while offering sectoral expertise gained from the North Sea oil and gas industry. In 2024, the UK imported 41.9 million tonnes of crude oil, of which 16.2 million tonnes (39%) came from the USA and 13.8 million tonnes (33%) from Norway. Meanwhile, as of July 2025, Guyana has been producing crude oil at a rate of 664,000 bpd, with an average of 643,000 bpd over the first seven months of the year.[1] Were this alone to be the flat daily rate, that would already equate to 32.15 million tonnes of crude oil produced annually - three quarters of the UK's import quantity. Moreover, Guyanese oil

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1 https://www.hellenicshippingnews.com/guyanas-oil-output-almost-unchanged-at-664000-bpd-in-july/

reserves are estimated to hold 11.6 billion barrels of oil - comparable to Algeria - and should last for several decades.[2]

The Co-operative Republic of Guyana is a Commonwealth state home to over 830,000 people with strong ties to Britain since its consolidation as a British colony in 1831 and continuing after independence in 1966, with 19,000 Guyanese-born people estimated to live in the UK in 2021.[3] Since the discovery of major off-shore oil reserves in 2015 by ExxonMobil in the Stabroek Block off Guyana's coast, the Caribbean nation has seen its output of crude oil surge exponentially. Starting from 15,000 barrels per day when extraction began in 2019, production is currently expected to exceed 900,000 bpd by the end of 2025, with operators targeting roughly 1.7 million bpd by 2030.[4] Offshore oil exploration had first begun under British rule in the 1950s, but the UK only gained commercial footholds in the Guyanese oil sector in late 2023, renewed in late 2024, with UK traders BB Energy and JE Energy currently marketing Guyana's state crude oil from the Liza 1, Liza 2 and Payara projects.[5] Meanwhile, other British firms such as EnerMech, AquaTerra Group and KLINGER UK with decades of deep-water experience in the North Sea are currently establishing bases and partnerships with Guyana's natural gas sector.[6] [7] [8] This has bolstered strong financial links between Georgetown and London - as of this year, crude oil makes up 97% of Guyanese imports to the UK, while 40% of British exports to

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2 https://www.surinametimes.com/artikel/guyanas-oil-continues-to-shine-as-hess-top-seller
3 https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/populationoftheunitedkingdombycountryofbirthandnationalityunderlyingdatasheets
4 https://corporate.exxonmobil.com/news/news-releases/2025/0808_exxonmobil-guyana-begins-production-at-fourth-offshore-guyana-project#:~:text=The%20ONE%20GUYANA%20is%20the%20largest%20FPSO,equivalent%20barrels%20per%20day%20from%20eight%20developments.
5 https://oilnow.gy/featured/british-trading-firms-win-contracts-to-market-guyanas-crude-oil/
6 https://enermech.com/news/enermech-expands-in-guyana
7 https://www.aquaterra.co.uk/2025/08/12/aquaterra-group-expands-global-reach-with-new-office-in-guyana/
8 https://www.klinger.co.uk/news/klinger-uk-x-gpec-energy-products-inc-advanced-engineering-guyana/

Guyana consist of non-car road vehicles, ships and industrial machinery.[9] British FDI stock in Guyana grew 666.7% from £6 million at the end of 2022 to £46 million by the end of 2023.

In 2024, 66% of Guyanese crude oil exports went to Europe, with British refiners attracted by its low-sulphur, high-API quality,[10] which has operational and emissions advantages as a replacement to former Urals-grade Russian crude oil for gasoline and diesel yields.[11] Guyanese crude oil currently arrives into Europe and the UK by tanker, but switching cargoes from Aframax tankers to larger Suezmax or VLCC tankers, to arrive directly to British deep water ports like Milford Haven or Fawley, could reduce freighting costs per barrel, transit times and the number of voyages, improving efficiency. Further British investment through experienced British firms such as EnerMech and AquaTerra Group in particular, into faster loading arms, additional mooring points and improved weather mitigation at Floating Production, Storage and Offloading Units (FPSOs) - necessary in the Stabroek Block where there is no pipeline to shore - could also increase oil throughput.

From a strategic perspective, it should be noted that, despite partaking in the OECD's Latin America and Caribbean Regional Programme, which provides some technical assistance, Guyana is not yet an OECD member. This provides reduced competition and offers the UK some greater leverage in bilateral negotiations. OECD membership would likely require Guyana to adopt the Inclusive Framework on BEPS,[12] which would reduce the advantage held by multinationals over domestic firms by reducing their ability to avoid Guyanese income tax. Compared to American investment through ExxonMobil, which holds a 45% stake in Stabroek Block operations, Hess Corporation with a 30% stake and the China National Offshore Oil Corporation (CNOOC) with 25%,[13] Britain's current

9 https://assets.publishing.service.gov.uk/media/688abd21ff8c05468cb7b102/guyana-trade-and-investment-factsheet-2025-08-01.pdf
10 https://www.forbes.com/sites/gauravsharma/2025/03/12/guyanas-buoyant-oil-exports-find-eager-buyers-in-europe/
11 https://rmi.org/eus-russian-oil-curtain-call-a-crossroads-for-climate/
12 https://www.oecd.org/en/topics/base-erosion-and-profit-shifting-beps.html
13 https://oilnow.gy/featured/largest-foreign-investment-in-guyanas-history-top-us-official-backs-us2-billion-energy-project/

capital commitments in Guyana are minuscule, and focussed primarily in midstream and offtake marketing and specialised services such as finance and insurance. Nevertheless, the UK retains unique leverage through niche expertise, existing Commonwealth ties and CIty of London finance, as well as in offering Guyana a familiar face and a chance to diversify from overwhelming competing American and Chinese investments.

Further British investment into Guyana would also reinforce what existing influence Britain has in the region, against rivals such as China, whose influence has grown since the establishment of the China-CELAC Forum in 2015 and Guyana's signing onto the Belt and Road Initiative in 2018, with Chinese investment surging from $256 million in 2019 to over $10.6 billion in 2024.[14] China is currently involved in various health, energy and transport infrastructure projects in Guyana, including April 2025 deals with POWERCHINA worth $256 million for Lots 1 and 3 of Phase II of Guyana's 2024 Infrastructure Development Plan, involving upgrading transmission lines and substations from Demerara to Berbice and integrating new gas-fired power stations as part of Guyana's Gas-to-Energy project.[15] France's TotalEnergies and QatarEnergy are also exploring further investment, both holding 25% stakes as partners in the Orinduik block and in a joint venture with 35% in the ExxonMobil-operated Canje Block. Qatar is seeking to expand into frontier oil regions alongside its LNG dominance, and is partnering with the French firm to share risk, while TotalEnergies is capitalising on its existing operations in the developing Gran Mourgu field in neighbouring Suriname.[16] All of this indicates a rapidly developing and diversifying LNG and crude oil market, in which the UK should seek to establish its strategic position and leverage as soon and efficiently as possible.

Another concern for British interests are the recent 2023 threats to Guyanese sovereignty from Venezuela. This proto-conflict, dating to back to colonial era

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14 https://kaieteurnewsonline.com/2025/06/09/china-says-ready-to-drive-mordernisation-of-guyana/

15 https://carilec.org/us422-million-signed-in-contracts-for-new-transmission-lines-and-substations-for-gas-to-energy-project/

16 https://oilnow.gy/news/guyana-aiming-to-welcome-more-oil-players-as-country-on-verge-of-becoming-one-of-the-regions-biggest-producers/

border disputes and known as the Essequibo Conflict, sees Venezuela claim the western bank of the Essequibo river - almost half of Guyana's territory - and in its origins is indeed reminiscent of the Falklands dispute with Argentina and Guatemalan claims on Belizean territory. Britain, as head of the Commonwealth, would do well to stymie such activity. In April 2024, the Commonwealth Secretary General, Rt Hon Patricia Scotland KC, reiterated her support for the ICJ's December 2023 "Order on Provisional Measures" on the border dispute and the December 2023 Joint Declaration of Argyle for Dialogue and Peace between Guyana and Venezuela, and called on Venezuela to refrain from action to change the *de facto* territorial situation. There is no current permanent British military presence in or around Guyana, but as of April 2025 the Guyanese Defence Forces and British MoD have signed a memorandum to deepen collaboration in training, information sharing, cybersecurity and defence acquisition.[17] British presence in the Caribbean consists of the British Army Training and Support Unit Belize and the HMS Trent patrol vessel, with possibility of longer-range support from forces in the Falkland Islands and a small RAF detachment on Ascension Island.[18]

The UK last established an overseas military base with the UK Naval Support Facility (NSF) in Bahrain in 2018.[19] As British-Guyanese defence cooperation grows and Guyana increasingly welcomes visiting British, American and Brazilian military presence in the context of Venezuelan aggression, the combination of energy security, geopolitical and Commonwealth interests could support arguments for a more embedded British presence in the Caribbean alongside the existing regional bases in Belize, Ascension Island and the Falklands. While the USA already possesses Guantanamo Bay in Cuba, and has access to several Colombian air bases and small air detachments in Curaçao and Aruba, a greater British presence in Guyana would provide Britain with greater strategic autonomy in the region, increase its value as a strategic partner against Venezuela for both the US and Guyana, as well as potentially provide an efficient node between Belize and Ascension Island, in close proximity to the friendly

17 https://gdf.mil.gy/guyana-and-uk-sign-defence-cooperation-mou-during-high-level-visit/
18 https://ukdefencejournal.org.uk/the-guyana-venezuela-dispute-and-uk-involvement/
19 https://www.royalnavy.mod.uk/news-and-latest-activity/news/2018/april/05/180405-uk-naval-support-facility-bahrain-opens

Commonwealth states of the Leeward Islands, and with a direct opening onto the North Atlantic, formerly provided by the Royal Navy Dockyard and British Army garrison in Bermuda before their closure in the 1950s.

Beyond infrastructural and military affairs, Guyana is rapidly building its domestic capacity to handle this growing industry through the University of Guyana's oil, gas and energy diplomacy programmes. Between only 2019 and 2024, the University of Guyana opened 30 new programmes in and two new oil and gas institutes to upskill the domestic workforce.[20] Greater British investment and involvement would serve to expand British soft-power in the Caribbean and contribute to greater institution-building efforts and high demand exists for educational partnerships with British universities, as well as partnerships in HSE, ESG assurance and regulation - areas in which Britain can establish lasting norms and earn goodwill. British support in emissions controls and maritime safety would also reinforce Britain's reputation and credibility as a long-term, reliable partner, rather than a transient, neo-colonial extractor. Existing UK government initiatives such as the £337 million International Science Partnerships Fund (ISPF)[21] and the Commonwealth Marine Economies (CME)[22] programme are well placed to support developing countries like Guyana improve scientific educational outcomes and marine management.

Notable existing educational links between Britain and Guyana include a formal partnership between the University of East London (UEL) and the Guyana Online Academy of Learning (GOAL) initiative, which offers thousands of scholarships to Guyanese students. This partnership delivers degree and certificate programmes to Guyanese students in the UK and in June 2025, the Vice-President of UEL described the programme as a "powerful reflection of our shared values" as part of Guyana's national vision for sustainable

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20 https://www.guyanastandard.com/2024/09/19/ug-adds-30-new-programmes-two-oil-and-gas-institutes-to-help-meet-growing-industry-demands/
21 https://www.gov.uk/government/publications/international-science-partnerships-fund-ispf/international-science-partnerships-fund-ispf
22 https://www.gov.uk/government/publications/commonwealth-marine-economies-cme-programme-guyana#:~:text=Commonwealth%20Marine%20Economies%20(CME)%20programme:%20Guyana%20%2D%20GOV.UK.

development.[23] The University of Aberdeen's Centre for Energy Transition is engaged in global partnerships combining research, policy advice and skills training for countries managing hydrocarbon wealth while pursuing sustainable goals,[24] with a long history of training regional energy professionals, such as its 2007 agreement with the Universidad Tecnológica de Tabasco in Mexico.[25] There is currently no formal institutional partnership with Guyana, but UoA already advertises its energy-related programmes to Guyanese students, presenting an entry point for further cooperation.[26]

British investment in Guyana would face risks, however, such as the aforementioned threat of Venezuelan irredentism,[27] [28] [29] as well as reputational risks from fossil fuel extraction and the chance of gas spills and other climate disasters.[30] Given the youth and rapid growth of Guyana's fossil fuel economy as well, corruption, poor governance and 'Dutch disease' all pose a threat to investment in the burgeoning sector.[31] [32] Nevertheless, these are precisely the areas where the experience and expertise of British firms such as EnerMech and AquaTerra Group and even British government advisers and scientific missions could offer invaluable support in the industry's development in exchange for a healthy share in the market and potential greater mutual cooperation to meet Guyana's economic and Britain's energy needs. Other examples of British firms that would be well suited to supporting Guyana's oil and gas expansion include

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23 https://guyanachronicle.com/2025/06/16/we-are-proud-to-stand-beside-you-as-partners-in-progress/
24 https://environmentjournal.online/features/university-of-aberdeen-announces-plans-for-centre-for-energy-transition/
25 https://www.abdn.ac.uk/news/18067/
26 https://www.abdn.ac.uk/study/international/country-territory/guyana/
27 https://www.gov.uk/government/publications/overseas-business-risk-guyana/overseas-business-risk-guyana;
28 https://www.forbes.com/sites/eliasferrerbreda/2023/10/29/risks-in-the-scramble-for-oil-in-the-guyanas/
29 https://getglobalgroup.com/gy/risk-in-oil-and-gas-industry/
30 https://dialogue.earth/en/nature/exxonmobil-builds-petro-state-in-guyana-amid-environmental-concerns/
31 https://credendo.com/en/knowledge-hub/guyana-upgrade-57-47-medium-long-term-and-short-term-political-risks;
32 https://guyanabusinessjournal.com/2025/01/guyanas-development-in-the-era-of-oil-and-gas-opportunities-challenges-and-vision/

Environmental Resources Management (ERM) and Rural Planning Services (RPS) Group, with worldwide track records in oil-spill modelling, environmental impact assessments and ESG compliance. Meanwhile, British development finance arms, such as British International Investment (BII), with recent experience in Africa and South Asia in diversifying single-export economies, could aid Guyana in diversifying into agriculture, manufacturing and infrastructure through investing Guyanese oil revenues in blended-finance vehicles[33] to encourage commercial loans to agribusiness, supporting public-private partnership (PPP) funds to attract private port operators, and results-based financing to fund manufacturing, renewables and services training.[34]

In conclusion, Guyana's crude oil and LNG industry is booming and already major global investors are rushing to get involved. Britain's Commonwealth relationship with Guyana and North Sea oil expertise has placed it well to benefit from the boom, with British firms already securing contracts, provided it continues to leverage its advantages in finance, education and consultancy to secure its stake in the sector alongside the giants of ExxonMobil, CNOOC and TotalEnergies. Guyana's location, on both the North Atlantic and neighbouring Venezuela, and the possibility of closer Guyanese-British defence cooperation also grant it strategic importance to British interests in the Caribbean as well as potentially providing the UK with greater leverage relative to US interests. Last but not least, the size of Guyana's crude oil reserves, the increasing rate of production, and the ability to deliver oil directly to the UK without it having to pass through Europe or the Mediterranean could help the UK diversify its Atlantic energy supply chains, reducing Britain's reliance on American and Eurasian crude oil imports. For all these reasons, Pickthall House encourages the UK government, military and businesses to continue to invest in a closer relationship with Guyana.

33 https://www.bii.co.uk/en/news-insight/insight/articles/practical-guidance-to-scale-blended-finance/

34 https://finance.gov.gy/finance-minister-outlines-governments-plans-for-guyana-realizing-its-full-potential-including-diversification-of-its-non-oil-economy-investing-in-its-people/