

Equatorial Guinea Opens Oil Blocks, Says Exxon Still Wanted

Paul Vecchiato Paul Burkhardt
@pburkhardt

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Equatorial Guinea, which opened bidding for oil and gas exploration blocks Monday, said it wants Exxon Mobil Corp. to remain as an operator even after the government decided not to renew its license for the country's highest-producing field.

The West African nation will accept bids for 37 blocks, of which 32 are offshore, until Nov. 30 and plans to award licenses in January, Minister of Mines, Industry and Energy Gabriel Mbaga Obiang Lima said at a briefing in Cape Town. The government is still in negotiations with Exxon after it decided in October not to extend the company's license to operate the Zafiro oil field, he said.

"The license was not renewed, but we still want them to continue to be operating in the country," Lima said in an interview. "That field will not be in the next licensing round as it is already a productive field."

Scott Silvestri, an Exxon spokesman, declined to comment.



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Exxon holds a participating interest of 71.25 percent in Block B of Zafiro. While the field remains the nation's biggest-producing deposit, output has dropped more than half from its peak, the U.S. Energy Information Administration said in an April report. Equatorial Guinea pumped an average of 270,000 barrels a day in 2014, compared with a capacity of 369,000 barrels a day in 2007, according to the EIA.

Equatorial Guinea is also waiting to see who Hess Corp., which operates the Ceiba and Okume fields, is negotiating with over a sale of offshore assets. "If it is a party we are interested in then naturally we will approve the sale," he said.

G3 Oleo & Gas Ltd., drilling in block EG-01, made a discovery of condensate that is still being evaluated, Lima said.

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