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Exxon accelerates oil, gas projects in Guyana as prices surge

By **Kemol King**

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Summary Companies

- MODEC-built FPSO to add 250,000 bpd of output capacity

- Exxon to complete recovery of as much as \$5 billion in costs this year
- Whiptail project to begin next year, Hammerhead startup now forecast for 2028
- Exxon group to seek approval for 9th project, to be focused on gas

GEORGETOWN, March 19 (Reuters) - A new floating production facility for a consortium led by Exxon Mobil ([XOM.N](#)) in Guyana is nearly complete and expected to soon depart from Singapore, an executive said Thursday, part of the push to accelerate oil and gas projects in a country key to the U.S. oil giant's growth.

Guyana has allowed Exxon to quickly boost output capacity to over 900,000 barrels per day (bpd) after only first inaugurating crude production in 2019. The rapid growth in output has propelled the small country to the list of [top oil producers](#) in South America.

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The floating production, storage and offloading (FPSO) platform Errea Wittu, being built by Japanese firm MODEC ([6269.T](#)), would be the fifth to be installed by the Exxon group in Guyana. It will produce, store and deliver up to 250,000 barrels per day from the Uaru offshore project.

Once that project begins, it could push crude output in Guyana past its troubled neighbor Venezuela. Exxon expects its output capacity from all planned projects in Guyana to reach some 1.7 million bpd by 2030.

It is not clear when the facility will arrive; Exxon had previously said arrival in Guyanese waters would happen later this year, without further details. Once it arrives, the vessel will need testing before it can begin production.

The group's [fourth project](#), Yellowtail, which began last year, now produces 263,000 bpd, lifting overall output in Guyana to 916,000 bpd in January. Exxon is expected to seek government approval to increase Yellowtail's capacity to about 290,000 bpd, Alistair Routledge, the head of Exxon in Guyana, told reporters on Thursday.

Benchmark Brent crude prices have shot up to more than \$110 a barrel following attacks on numerous Middle Eastern energy facilities as the U.S.-Israeli [war on Iran](#) continues. But that high price of oil is now expected to help Exxon recover up to \$5 billion in costs in the country this year, rather than in 2027 as originally forecast, Routledge said.

The company and the government are currently in an ongoing [cost dispute](#) over expenses incurred by the oil major; Exxon is evaluating nominees for an independent expert to resolve the dispute,

Routledge said.

ONE PROJECT AFTER ANOTHER

Following Uaru, Exxon is on track to start the consortium's sixth project, Whiptail, by the end of 2027, while trying to accelerate the startup of the seventh project, Hammerhead, for 2028, a year earlier than originally planned, Routledge said. Plans for subsequent projects are expected to be submitted for government approval by next year, Routledge added.

Guyana's government has been pressuring the Exxon group to secure gas output and supply to its shoreline to feed a variety of industrial projects from power generation to petrochemicals, but those projects have encountered delays. Exxon has completed its first \$1 billion natural gas pipeline, but it is not yet operational.

A second, longer natural gas pipeline that would transport offshore gas to Guyana's Berbice region could cost some \$2 billion, Routledge said.

Reporting by Kemol King, writing by Marianna Parraga; editing by David Gaffen

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