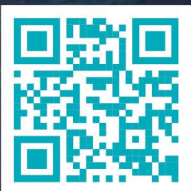




# *Invest in Guyana*

# ENERGY

POWERING GUYANA'S GROWTH





# Investment Fuels Prosperity





The Ministry of Natural Resources ('MNR') 's critical objective is to develop, implement and oversee policies for the responsible exploration, sustainable development, and utilization of Guyana's natural resources to advance our economic growth and national prosperity.



# Highlights

To date, the gross recoverable resources are estimated to be in excess of 10 billion oil-equivalent barrels discovered offshore, the 3<sup>rd</sup> highest oil reserve in the Latin America and Caribbean Region.

The Stabroek block has been lauded by Reuters as one of the world's most important oil and gas blocks in the last decade.

Guyana's embryonic energy sector means that a plethora of opportunities is anticipated to emerge in 2022 and beyond.

Guyanese businesses have the opportunity to capitalize on the formation of mutually beneficial synergies with other international and regional organizations.

Guyana is poised to experience an economic 'boom' in the medium to long term outlook.

Significant amount of direct employment for Guyanese nationals as well as increased procurement of goods and services from Guyanese nationals and Guyanese companies by the multinational oil companies through the Local Content Act 2021 Act No 18 of 2021.

There will be a surge in demand for support goods and services in and out of the oil and gas sector translating to an upsurge in direct and indirect employment opportunities.

Guyana's recorded a real Gross Domestic Product (GDP) growth of 14.5 percent in the first half of 2021 and the IMF projects that Guyana's economy will grow by a further 47.5 percent in 2022 and the non-oil sector estimated to grow by 7.7%.





Government revenues from first oil to the end of 2021 were in excess of US\$ 600 million. With the project development forecasted, this figure could reach as much as G\$10 billion annually towards the end of the decade.

Strategic Local Content consultations were held in early 2021, the outcome of which informed the enactment of the Local Content Act 2021 Act No 18 of 2021.

Natural Resources Fund Act 2021, Act No 19 of 2021's passage paves the way for the utilization of oil revenues to finance the major developmental needs of the country and respond to natural disasters

Approximately 3800 persons are employed directly in the oil and gas sector.

The Gas-to-Energy project expected to be completed by 2024 will reduce the cost of electricity by as much as 50% and will support the creation of spin-off industries that will support further economic development.

The Liza Unity FPSO vessel will realize its target of 220,000 barrels of oil per day later in 2022 which will bring Guyana's production capacity to more than 340,000 barrels per day, which includes the more than 120,000 barrels per day capacity at the Liza Destiny FPSO. Production capacity is estimated to be approximately 1.2 million barrels per day by 2027.





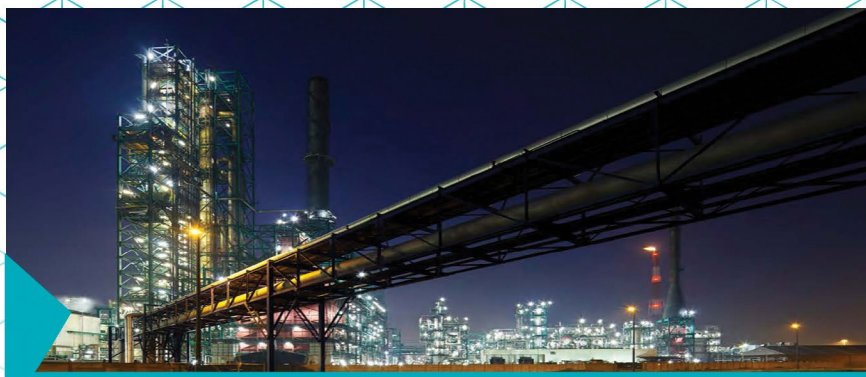
# Energy

- Estimated mean oil and gas reserves stand at more than 10 billion barrels of oil and 16 trillion cubic feet of gas.
- Guyana's offshore development remains competitive for the global market and is an attractive investment opportunity.
- The Liza Phase 1 Project has a production capacity of 120,000 bpd utilizing 17 developmental wells.
- The Liza Phase 2 Project is designed to produce 220,000 bpd, utilizing 30 development wells and the first oil was extracted in February 2022.
- The approved Payara Project is gearing for first oil in the 4th quarter of 2023 and is designed to produce 220,000 bpd supported by 41 development wells.
- The Yellowtail Project is ExxonMobil's 4th development project within the Stabroek Block offshore Guyana. The review is being done and once satisfied government will issue a Production Licence.
- The gas to Energy project is expected to supply 300 MW of electricity to the national grid.

In addition to the abovementioned, renewable energy is likely to fill the additional energy needs of the country, particularly in the hinterland areas.

- The Amaila Falls Hydro Project is anticipated to contribute 165 MW of electricity by 2026.
- The largest current renewable source of electricity is biomass from sugarcane.





## Comparative Advantage

Guyana's geographic location at the tip of South America allows it the comparative advantage to benefit from strategic access routes to the rest of the world.

Trade from the East and West can improve the cost efficiencies of many local and international firms looking to enter new or solidify their presence in existing markets. The establishment of new ports as well as the revitalization of existing ports will allow the accommodation of large vessels looking to dock in Guyana prior to their onward location.

Roads and or bridges to Brazil and Suriname coupled with the expansion of existing airports will cement Guyana as a hub for regional, continental and international trade.

This is compounded by good governance; strong political leadership and stability; a fast-growing economy; bountiful natural resources coupled with low-cost skilled labour, collectively distinguishing Guyana from neighbouring countries.





Simply put, the following are some of the advantages of investing in Guyana:

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Fastest growing economy

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Resource-rich country

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English-speaking

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Multi-sector opportunities

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Low operation costs

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Ideal location to access regional and global markets

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Fiscal incentives for investments

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Tax exemptions for risk-bearing investments

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Private sector-focused government

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Diverse cultures and heritage

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Affordable labour

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Land availability

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Ease of doing business  
(single window system to be implemented soon)

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## Attractive Incentives

The Government of Guyana is pro-business and therefore believes in creating an enabling environment to facilitate investments which will, in turn, spur economic growth in all sectors (traditional and non-traditional).

Some of these include:

- Providing tax incentives for new investments, re-tooling, and technological improvements;
- Establishing industrial parks/estates for manufacturing in coastal and hinterland regions;
- Establishing a fund to stimulate innovation and new businesses;
- Providing complementary infrastructures such as roads, bridges, airstrips, training institutes, etc.;
- Exempting the payment of Duty and VAT on all critical building materials and equipment;
- Dockyard and shipping building: Exemption of Duty and taxes are available for the operation of dry-docking facilities;
- Recycling: Exemption of Duty and VAT on all machinery and equipment used;
- Land availability;
- ICT liberalization.



## Government Strategy

The Government of Guyana is working assiduously to modernize its legal and regulatory framework to reflect current and future developments in the economy. A realistic legal framework is anticipated to improve transparency and accountability in the sector, maximize economic gains, and curtail any associated risk.

Key legislation and regulations undergoing review include but are not limited to:

1. The Petroleum Act, Cap 65:04
2. Passage of the Local Content Act 2021, Act No 18 of 2021;
3. Passage of the Natural resource Fund Act 2021, Act No 19 of 2021;
4. The Mining Act Cap 65:01;
5. The Environmental Protection Act Cap 20:05;
6. Investment Act 2004;
7. Labour Act Cap 98:01;
8. Income Tax Act Cap 81:01;
9. Income Tax (In Aid of Industry) Act Cap 81:02;
10. Companies Act Cap 89:01;
11. Corporation Tax Act Cap 81:03;
12. Capital Gains Act Cap 81:20;
13. Anti-Money Laundering and Countering the Financing of Terrorism Act 2015, Act No 1. of 2015.



# Why Invest? Opportunities







## Vast Oil and Gas Potential

The booming oil and gas sector in Guyana provide a myriad of opportunities that investors can tap into. With continued exploration successes, the demand for goods and services in-country will exponentially increase.

## Attractive Incentives

The GoG has a tax regime that incentives the importation of equipment for the oil and gas industry and companies utilizing renewable energy options.

## Environmental Regulations

In an effort to mitigate against environmental degradation, all projects are required by law to obtain environmental authorization from the Environmental Protection Agency.

## Reduced costs for energy through the gas-to-energy project and investment in renewables

The gas-to-shore project, as well as other investments in hydro, solar, wind, and biomass, will result in the reduction of energy costs by as much as 50% which will improve the competitiveness of Guyana's manufacturing sector as well as create investment opportunities in spin-off industries surrounding the project area and the country at large.







## Onshore and offshore oil exploration

Substantial acreage onshore and offshore remains untapped.

Area C is located northeast of the offshore Guyana Basin. That area is commonly known as the “ultra-deep-water area”. Water depths can be a minimum of 2,500 m in the southern part to around 4,500 – 5,000 m at its northern boundary. The Areal extent is approximately 9560 km<sup>2</sup>.

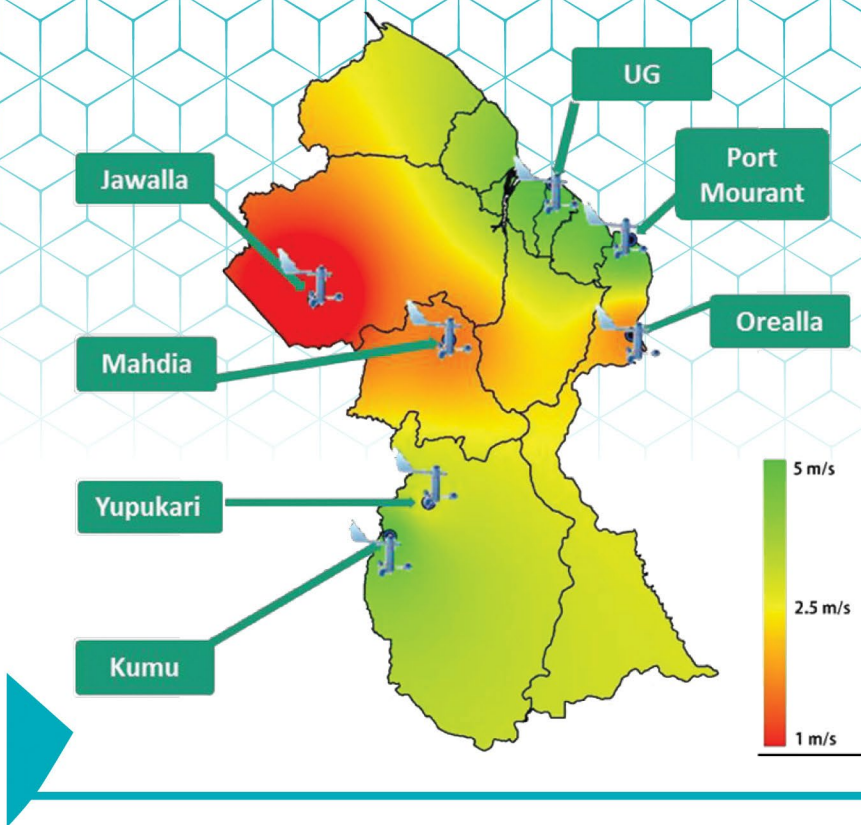
The Takutu basin is a Mesozoic graben 280 km long and 40 km wide located in the southwestern area of Guyana. The Karanambo-1 well drilled there in 1982 by Home Oil Company, was the best prospect drilled within this basin. Located in southwestern Guyana, a small amount of light crude was accrued. Tests conducted on samples from Karanambo-1 found that the oil is of good quality (42° API) and is of a “sweet” variety, containing less than 0.5% hydrogen sulphide. Currently, the Takutu basin has no active concessions.

## Expand the hinterland electrification programme

The goal of the hinterland electrification programme is to maintain the steady extension and upgrade of electricity supply systems across the hinterland, progressively improving operations and merging isolated services as appropriate.

This programme also seeks to expand existing coastal electricity grids to unserved areas within a feasible distance from the grids and to examine ways in which hinterland areas could be provided with electricity in the most cost-effective and sustainable manner.

Through this programme an expanded number of hinterland communities will obtain access to electricity through renewable energy resources such as hydro, solar, and wind power. It also unlocked vast areas of land that may bring new economic opportunities.



## Equipment for wind farm development

The Government of the Cooperative Republic of Guyana is engaging a private developer in advancing a wind farm project at Hope Beach. If realized, it will bring with it an installed capacity of about 10 MW to supply electricity to the local grid.

Under the Unserved Areas Electrification Programme, wind speeds were monitored via the installation of measuring towers in the following areas: Orealla, Region 6, Jawalla, Region 7, Campbelltown, Region 8, Yupukari, Region 9 but the wind speeds were not very attractive.

Monitoring of the wind testing instruments will be done by the Guyana Energy Agency in order to determine the available wind resource in different locations with a view of developing utility-scale wind farms.







# Investment Stimulates Development



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