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Source: Ministry of Nonrenewable Natural Resources

### **Ecuador had a 3% increase in its Oil Production**

Oil production in the country increased by 3% in 2011 compared to 2010 according to the minister of Nonrenewable Natural Resources, Wilson Pastor Morris.

The Minister said that in 2010 the production was 486,014 barrels per day while the volume extracted 2011 amounted to 500,378 barrels per day, with an estimated annual production which reached 182.6 million barrels.

The growth, according to Pastor, was led by EP Petro Ecuador which this year drew an average of 151,512 barrels per day. This increase was achieved due to great results in the main fields of Drago and Auca.

Petroamazonas EP production reached 156,822 barrels. This state company has been unable to pump all the 10,000 barrels per day from Block 7. The construction of a pipeline with greater capacity, suitable for transferring over the current 2000 barrels per day, has not been completed.

Napo River contributed 49,464 barrels per day. This occurred due to the operator facing challenges with the rigs. They expect that starting in March these problems should be solved. The Minister further said that private companies operating in the country (Agip, Andes, Repsol, Petroriental, Yuca Palanda South Consortium, Consortium Petrosud-Petroriva, Petrobell, Pacifpetrol and Puma) produced a daily average of 137,723 barrels.

<b>Company</b>	<b>Production target</b>	<b>Actual Production</b>
EP Petroecuador	143,147	151,512
Petroamazonas EP	161,054	156,822
Río Napo	63,401	49,464
Privadas	137,223	142,580

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Ecuadorian Government ready to announce new bid tender processes

Twenty one oil blocks will be tendered soon by the Ministry of Hydrocarbons of Ecuador-SH-entity under the Ministry of Non-Renewable Natural Resources.

The head assistant of the minister, Ramiro Cazar, said Wednesday that the granting of these 21 blocks, located in the southeast of the country, will be distributed to foreign state-owned companies, national oil companies (EP Petroecuador and Petroamazonas EP) and private companies.

Cazar said that blocks are to be delivered to national oil companies, public oil companies, and foreign private or public companies.

Of the blocks, four will be divided between EP Petroecuador and Petroamazonas EP, seven are for foreign state oil companies from countries with which Ecuador has signed agreements on hydrocarbons, and 10 will be divided among private companies.

Cazar expressed that with the current remaining reserves of 3.6 billion barrels, Ecuador has oil for the next 20 years, taking into consideration a daily operating average of 500,000 barrels per day. "Ecuador has enormous potential," said Cazar, who stated that the bidding process is for marginal blocks. The new bid tender will be for the blocks located in the southeast of the country, which are known as mature fields, and companies bidding will provide new technology to increase the percentage of oil recovery and reserves, without causing environmental damage. Oil has contributed 15.7% of GDP to the national economy, 27% of the state budget, and 51% of total exports.