



December 15, 2021

Mr. Omkar Lochan, Chair
Environmental Assessment Board
C/O Environmental Protection Agency

Mr. Kemraj Persram
Executive Director
Environmental Protection Agency

Dear Sirs:

This submission is a follow up to comments made at the November 11, 2021 Zoom meeting on the Yellowtail Project.

We note that the Yellowtail project is designed to produce up to 250,000 barrels of oil per day, consists of drilling 41 to 67 development wells (including production, water injection, and gas reinjection wells); installation and operation of subsea, umbilicals, risers, and flowlines equipment; installation and the operation of a Floating, Production, Storage and Offloading (FPSO) vessel; and— ultimately—project decommissioning.

We are concerned about insurance against social and environmental harms. A well blowout in Guyana's waters could have a catastrophic impact not only on Guyana but the Caribbean economies and environment. ExxonMobil's subsidiary, Esso Exploration and Production Guyana Limited's ability to prevent and mitigate a blowout is not clearly established. There seems to be no proper insurance in place for the Liza Phase 1, Liza Phase 2 and the Payara Projects. Will the EPA allow this malpractice to continue with the Yellowtail project?

It appears there is also no formal guarantee between ExxonMobil and the Guyana Government that it would cover in full, the shortfall of costs associated with an unmitigated spill which are not covered by its subsidiary – the shell company, Esso Exploration and Production Guyana Limited (EEPGL). Does the EPA think that is acceptable?

Whose responsibility will it be to pay compensation to Caribbean countries for damage to their tourism and fishing sectors in the event of a well blowout? Will Esso or the Guyanese people be responsible?

Vice President Jagdeo, Guyana's point person for oil and gas, is reported to be asking Exxon to deposit \$US2 billion for insurance. In light that the Macondo 2010 spill cleanup cost was \$US 60 billion+, does the EPA consider \$US2B to be adequate? There are reports that ExxonMobil has

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made no commitment to full coverage insurance (*Nov 07, 2021 Kaieteur News*). It appears as though ExxonMobil has not provided Guyana with full coverage insurance on its Liza Phase 1, Liza Phase 2 and Payara Projects, and it seems as if the company is continuing this trend for its Yellowtail Project.

Currently, Guyana only has insurance from the subsidiaries of the ExxonMobil, Hess Corporation, and China National Offshore Oil Corporation, or CNOOC Group on the Stabroek Block. Given that these companies hardly have any net worth or cash, the insurance coverage in the event of an oil spill would be miniscule, to say the least. We ask that you correct this state of affairs by tying the parent companies to full coverage insurance for the first three sanctioned projects, and for the proposed new Exxon's Yellowtail Project, which the government is now racing to approve by the end of this year.

We urge there be a formal guarantee from ExxonMobil that it would cover in full, the shortfall of costs associated with an unmitigated spill which are not covered by its subsidiary, Esso Exploration and Production Guyana Limited (EEPGL). While EEPGL stated categorically that all Exxon operations were fully insured, the beneficiary was not disclosed. As a matter of public information, we would also like to see the terms of the insurance policy. EEPGL asserting that "Exxon has the responsibility and capacity to clean up any mess," is not concrete evidence of protection for Guyana and other Caribbean countries likely to be affected by any environmental disaster originating in Yellowtail.

We look forward to your strong action and response in these matters.

Sincerely,

Dr. Jerry Jailall for Oil and Gas Governance Network

