# ExxonMobil leading massive offshore oil project in Guyana raises concerns and promises economic benefits



ExxonMobil is leading efforts to develop one of the largest offshore oil projects in history, located in the Stabroek Block, about 120 miles off the coast of Guyana. This venture, which involves partners Hess and Cnooc, has identified roughly 11 billion barrels of oil and has received over $55 billion in investments to extract nearly half of these reserves. Production escalation aims to bring significant economic benefits to Guyana, potentially exceeding $100 billion.

The discovery has catalyzed the growth of a nascent hydrocarbon industry in Guyana, a country that experienced an economic expansion of 33% last year, according to the IMF. However, rapid economic benefits have raised concerns about potential adverse effects, often referred to as the "resource curse," which can result in fiscal mismanagement, societal conflict, and environmental risks.

Environmental activists warn that rapid development could lead to severe climate impacts, including rising sea levels threatening Georgetown. Economic inequality and inflation are also observed, with nearly half of the population living under the poverty line. Strikes by public sector workers and price surges have added to discontent among citizens.

Political scientists and critics argue that the oil agreement from 2016 may favor corporations excessively, stressing the need for vigilant management to avoid potential pitfalls experienced by other oil-rich nations. Despite these challenges, proponents argue the project will deliver long-term benefits and essential infrastructure improvements.

Continued tensions with Venezuela, reviving territorial claims over the oil-rich Essequibo region, add to the geopolitical complexity surrounding this venture. The project and its potential consequences will likely remain a focal point in Guyana's political landscape for years to come.