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Ecuador: Notes On Oil Output, Exports, Exploration, Refining, Foreign Participation

by Barbara Khol

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On Sept. 13, the 30th anniversary of the Organization of Petroleum Exporting Countries (OPEC), general manager of the state-run oil company, Fernando Albuja, said Ecuador will remain with OPEC. He added that while the Gulf crisis has caused increased oil export revenues, Ecuadoran crude output will not expand due to limits on installed capacity. Ecuador joined OPEC in 1973, one year after completion of a 503 km. pipeline linking oil fields in the Amazon and the Pacific Balao port. At present, export earnings on 160,000 barrels per day provide half the government's revenue base. Total daily output averages 285,000 barrels. According to Albuja, Ecuador could increase daily crude output by 10,000 bpd in 1991 at the earliest. The state-run oil company, PetroEcuador, recently assumed majority control of all oil production and refining facilities in the country, as specified in contracts with foreign companies. The PetroEcuador-Texaco joint venture encompasses the country's richest oil fields, producing 220,000 bpd. Texaco currently controls 37.5% of company stock. Under contract terms, Texaco is to turn over its stock to PetroEcuador in 1992, ending 25 years of joint exploration. Domestic refining capacity totals 145,000 bpd, adequate for internal consumption of 115,000 bpd. Ecuador imports natural gas and aviation fuel via exchanges of crude with suppliers. In recent years, the government has sponsored six auctions for oil exploration rights covering nearly 4 million hectares. Exploration activities involving investments of over \$350 million led to discovery of new reserves, estimated at 300 million barrels. Proven reserves total 1.5 billion barrels, and probable reserves in producing oil fields are estimated at another 1.5 billion. Recent discoveries consist of heavy crude (between 16 and 18 API). (Basic data from AFP, 09/13/90)

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