

The wave of offshore exploration in Colombia grows:

**THE NATIONAL HYDROCARBONS AGENCY – ANH, AND SHELL SUBSCRIBE TWO OFFSHORE EXPLORATION AND PRODUCTION CONTRACTS WITH INVESTMENT COMMITMENTS OF NEAR 100 MILLION DOLLARS IN THE FIRST PHASE**

The presidents of the National Hydrocarbons Agency – ANH, Luis Miguel Morelli, and Shell in Colombia, Ana María Duque; with the accompaniment of Vice Minister of Energy, Diego Mesa and Ines Liebing, Director of Shell Exploration and Production Colombia GmbH, signed two important offshore Exploration and Production (E&P) contracts for the “COL 3” and “GUA OFF 3” blocks in the Colombian Caribbean Sea.

According to the president of the ANH, Luis Miguel Morelli: *“the signing of these contracts revalidates the confidence of oil investors in the exploration of our offshore resources in the Caribbean. Shell assumes investment commitments of more than 100 million dollars for the first phase of exploration in these two blocks. However, if Shell later decides to continue with the exploratory program of the following two phases, the investment in its entirety may exceed 650 million dollars. This investment is in addition to the nearly 400 million dollars announced recently by Petrobras in the Tayrona block and Ecopetrol in the COL-5 block. The wave of offshore exploration in Colombia continues to grow and it is the result of the successful execution of the Iván Duque’s government commitment to reactivate the hydrocarbons industry in the country”.*

The exploration project, which corresponds to the blocks “COL 3” (400,000 hectares) and “GUA OFF 3” (480,000 hectares), will be developed in an area that, as a whole, covers 880,000 hectares. In the contract for the “COL 3” block, the commitment is to develop a Minimum Exploratory Program (PEM), which includes the reprocessing of 3D seismic over an area close to 1,000 Km<sup>2</sup>, and the drilling of at least one exploratory well in the first phase. The contract for the “GUA OFF 3” contemplates a three phase PEM that includes the acquisition of 2,461 Km<sup>2</sup> of 3D seismic, the taking of 43 samples of Piston Core and the reprocessing of 3D seismic over an area close to 2,000 Km<sup>2</sup>, in the first phase. The Agency estimates that if the PEMs are fully developed, the investment commitments could exceed 650 million dollars.

The Vice Minister of Energy, Diego Mesa, stressed that: *“the signing of these two new offshore Exploration and Production contracts is good news for Colombia. The confidence shown by the companies allows us to look at the energy future with good prospects to continue moving towards the reactivation of the oil sector. Increasing oil and gas reserves, which today are 5.7 years and 11.7, respectively; is essential to ensure energy self-sufficiency and to generate more employment, tax revenues, and opportunities for the country and the regions”.*

On the other hand, Ana María Duque, President of Shell in Colombia, said: *“We are very happy to sign these exploration contracts. They represent a great step for the country on many fronts. We will increase our knowledge of the Offshore resources availability, expand the deepwater exploration frontier, and offer us the option to continue to strengthen relationships with communities. With these contracts, Colombia wins. In addition, we will bring a co-owner, subject to the corresponding government approvals”.*

Bogotá, D.C., March 11, 2019

