

A woman is shown from the chest up, holding a large, circular sign with both hands. She is wearing a black top, a necklace of yellow and red flowers, and two patterned wristbands. Her face has black markings on her cheeks. The sign is white with a red border and has the text 'ACORDA PARA A CRISE CLIMÁTICA' written in black, hand-painted letters. There are yellow brushstrokes on the sign. The background is a clear blue sky.

ACORDA
PARA A CRISE
CLIMÁTICA

THE MONEY TRAIL

BEHIND FOSSIL FUEL EXPANSION
IN LATIN AMERICA AND THE CARIBBEAN



IMPRINT

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Introduction

Cities and communities throughout Latin America and the Caribbean are already suffering the impacts of a changing climate. From unprecedented wildfires in Bolivia, Argentina, Chile, Brazil and Mexico to record hurricanes in the Caribbean; from severe drought across the Amazon Basin to the catastrophic floods in Rio Grande do Sul, which killed 184 people, displaced over 420,000 and caused over US \$15 billion in damages in 2024.¹ In Brazil alone, climate-induced disasters have surged by 460% since the 1990s.² Each year, heatwaves, storms, floods and droughts leave a devastating trail of economic losses and shattered lives from Tierra del Fuego to the Gulf of California.

At COP 28 in Dubai, governments from around the world pledged to transition away from fossil fuels. 2 years down the line, these promises ring hollow. On the eve of COP 30, more than 190 oil and gas companies from 42 countries are exploring and developing new oil and gas reserves or building new fossil fuel infrastructure in Latin America and the Caribbean. We are still a region of open veins.³ And our own state-owned oil and gas companies such as Petrobras, YPF, Pemex and Petroperú are part of the feeding frenzy.

The majority of fossil fuel companies operating in Latin America and their financial backers are, however, headquartered in the Global North. Fossil fuel expansion in our region is the continuation of a long-standing pattern of colonialism: Multinational corporations take control of our resources, harvest the profits and offload the costs on local populations. These are pushed aside, impoverished and left with a degraded and polluted environment. Climate justice cannot be achieved without dismantling this exploitative model.

At every stage of their lifecycle, fossil fuels inflict immense harm, and the most vulnerable groups in our societies pay the highest price. In Peru, Ecuador, Bolivia and Colombia, oil and gas blocks overlap with 1,647 Indigenous territories, including lands that belong to indigenous peoples living in voluntary isolation.⁴ Community leaders are threatened, attacked and sometimes even killed for defending their land against oil and gas extraction. Frequent oil spills from pipelines and refineries poison rivers and streams, endangering downstream communities, small-scale fishers and municipal water supplies. Air pollution from the combustion of fossil fuels causes more than 320,000 premature deaths in Latin America each year and is responsible

¹ <https://disasterphilanthropy.org/disasters/2024-rio-grande-do-sul-brazil-floods/>

² <https://www.preventionweb.net/news/brazil-has-seen-460-increase-climate-related-disasters-1990s>

³ „The Open Veins of Latin America” was published by the Uruguayan journalist and author Eduardo Galeano in 1971. It chronicles 5 centuries of exploitation and plunder of Latin America’s resources by foreign powers. The book shows how this transfer of wealth created a cycle of poverty and inequality that still shapes the region today.

⁴ <https://news.mongabay.com/2022/10/in-the-western-amazon-oil-blocks-eat-away-at-indigenous-lands-protected-areas/>

for a wide range of illnesses, especially in children under 5 years, pregnant women and the elderly.⁵

Although our countries signed the Paris Climate Agreement, most of our governments continue to approve new fossil fuel projects, directly undermining the goal of limiting global temperature rise to 1.5°C. Instead of aligning national policies with a rapid and just energy transition, they prioritize short-term profits over long-term planetary stability. This contradiction weakens global climate cooperation and threatens the credibility of COP 30 in Belém.

The oil and gas lobby likes to claim that fossil fuel revenues will finance the energy transition – but this is a dangerous self-serving myth. Each and every new fossil fuel project delays the shift to clean energy, pushes us closer to dangerous climate tipping points, and ignores the reality that climate change is already destabilizing our agricultural systems, undermining our economies and disrupting the water cycles that sustain our hydropower-dependent energy systems. In 2022, the World Bank already warned that climate change could lead to a 300% increase in extreme poverty in Latin America and the Caribbean by 2030.⁶

The Inter-American Court of Human Rights, which holds jurisdiction over 20 Latin American and Caribbean states, recently clarified state obligations related to the climate crisis. On July 3rd, 2025, the court issued a ground-breaking opinion that governments must protect the climate system as part of their human rights obligations. In its 234-page judgment, it says that states must take “urgent and effective” measures to reduce greenhouse gas emissions and regulate companies to prevent irreversible harm to the climate system. The court explicitly singles out fossil fuel exploration, extraction, transportation and processing, urging governments to adopt stricter rules and impose “differentiated obligations” on companies with higher historical emissions.⁷

Just 2 weeks after this historic judgment, Brazil – the host country of COP 30 – moved to strip away environmental safeguards that could hamper oil and gas expansion. On July 17th, 2025, Brazil’s Congress passed a bill that creates special licensing arrangements for projects the government deems “strategic”, such as oil exploration on the Amazon coast. The law also exempts companies from assessing the impacts of their projects on hundreds of Indigenous and Quilombola communities, and allows most projects to be approved by simply filling out an online form. As Nilto Tatto, coordinator of the environment caucus of the Chamber of Deputies in the Brazilian Congress warns, this bill “is tailored to serve predatory sectors and dismantles decades of progress in Brazilian environmental legislation.”⁸ Brazil is not alone. The Argentinean government under Milei has already downgraded the Environment Ministry to an

⁵ https://www.paho.org/sites/default/files/2022-09/2022-cde-agenda-clean-air-day-lac-en0_0.pdf

⁶ <https://blogs.worldbank.org/en/latinamerica/climate-change-and-poverty-perfect-storm>

⁷ <https://jurisprudencia.corteidh.or.cr/en/vid/1084981967>

⁸ <https://news.mongabay.com/2025/07/brazils-congress-passes-devastation-bill-in-major-environmental-setback/>

Undersecretariat, slashed the environmental budget by 80%, and is now rewriting several laws and issuing decrees to favor fracking, offshore drilling and new oil and gas infrastructure.⁹ In Peru, Bolivia, Paraguay and Venezuela, governments have also moved to significantly weaken their countries' environmental regulations.

Yet there are also signs of progress across the region. 10 Latin American and Caribbean countries have joined the Powering Past Coal Alliance, committing themselves to accelerate the transition from coal to clean energy.¹⁰ Colombia and 3 Caribbean nations – Antigua and Barbuda, the Bahamas, St. Kitts and Nevis – have endorsed the Initiative for a Fossil Fuel Non-Proliferation Treaty. Countries like Costa Rica and Uruguay have already decarbonized their electricity generation, Chile aims to produce 80% of its electricity from renewable sources by 2030 and Barbados is targeting 100% renewables by 2030. But as Colombia's president Gustavo Petro warned in 2023, when announcing that his government would no longer issue new fossil fuel exploration licenses: "There is a very powerful economic power around oil, coal and gas. They act to prevent changes, to maintain in a suicidal way their possibilities for more years of profit. Today, we face an immense confrontation between fossil capital and human life".

This report maps the frontlines of this confrontation. It shines a spotlight on companies that are exploring and developing new fossil fuel reserves or building new fossil infrastructure such as pipelines, liquefied natural gas (LNG) terminals and gas-fired power plants. And it reveals which banks and investors are backing the expansion of this dirty and dangerous industry across Latin America and the Caribbean.

All along the oil and gas frontier, local communities, Indigenous peoples and civil society organizations are fighting against new coal, oil and gas projects. Our message to financial institutions is simple: Fossil fuels cannot be worth more than our lives, our waters, our forests and our futures.

Nicole Figueiredo de Oliveira, ARAYARA, Brazil

Ariel Slipak, FARN, Argentina

Pablo Montaña, Conexiones Climáticas, Mexico

⁹ <https://farn.org.ar/wp-content/uploads/2025/04/Monitor-ambiental-Presupuesto-2024-cronica-de-un-ajuste-anunciado-para-el-cuidado-del-ambiente.pdf>

¹⁰ Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Honduras, Mexico, Panama, Peru and Uruguay are members of the PPCA.

Chapter 1: Oil and Gas Exploration

On the morning of June 17th, 2025, the perimeter of the Courtyard Hotel in Rio de Janeiro was cordoned off by police. Inside the luxury hotel, oil company executives were bidding for exploration rights to new oil and gas blocks in an auction organized by Brazil's national oil regulator, ANP. Outside the hotel, a wide array of civil society organizations – from environmental groups and fishers' guilds to trade unions and human rights organizations – rallied against the auction. They were joined by representatives of the Indigenous Manoki, Tapayuna and Pareci peoples, who had travelled over 2,000 km from their ancestral lands in western Mato Grosso. *“Our territories are being invaded. We have nowhere else to go and can no longer accept this violation of our rights,”* said Rosines Kamunu, a Manoki spokesperson.¹¹

Out of the 172 blocks ANP put on offer, 20 oil exploration blocks completely encircle the Manoki and Tapayuna Indigenous territories in Mato Grosso.¹² 16 blocks neighbor or overlap the spectacular Fernando do Noronha submarine ridge, a UNESCO World Heritage Site, whose islands harbor the largest concentration of seabirds in the West Atlantic.¹³ 47 blocks are in the highly sensitive Foz do Amazonas, an area off the northern coast of Brazil where the Amazon River flows into the ocean.¹⁴ The proposed blocks were so controversial that the Brazilian Federal Prosecutor's Office filed a suit against the country's oil regulator and the Brazilian civil society organization ARAYARA filed 5 civil action law suits against 118 of the offered exploration blocks.

The protests and legal actions had a major impact on the June 17th auction. 80% of the oil and gas blocks, including those in the Fernando do Noronha region and the blocks encircling Indigenous lands, remained unsold. But in the Foz do Amazonas, 10 blocks were acquired by a consortium of Petrobras and ExxonMobil, and 9 blocks by Chevron in partnership with China's CNPC. Nicole Oliveira, director of ARAYARA, warns that this is a risky move for the involved companies: *“We will continue litigating to prevent the final contracts from being signed and the blocks from being explored.”*

¹¹ <https://www.youtube.com/watch?v=yxF7DHbVU1A>

¹² <https://drive.google.com/file/d/1Cbu7DSJm1R11TpZ98ScFCmchg0iNnaHg/view>

¹³ <https://drive.google.com/file/d/1pbDcCQivBUXbVehLUwSUhFgs4X3Vr3PG/view>

¹⁴ <https://drive.google.com/file/d/1PXpwL75ke6eBnKfa5Z-EDFpwp4U4upRH/view>



Environmentalists, Indigenous people, and the ARAYARA Institute join forces in front of the hotel where the auction is taking place, demonstrating that society does not accept the destruction of sensitive areas like the mouth of the Amazon, nor the expansion of fossil fuels in the midst of the climate crisis and on the eve of COP 30. © Luz Dorneles, ARAYARA



ExxonMobil Executive Camila Borges places her bid to explore the Amazon basin during an oil blocks auction by Brazil's Oil and Gas Regulatory Agency (ANP), in Rio de Janeiro, Brazil, on June 17, 2025. © Mauro PIMENTEL / AFP

Expansion Begins with Exploration

The first step towards fossil fuel expansion is exploration. To explore for oil and gas deposits, companies undertake seismic surveys, using explosive charges or special vehicles with heave plates that send shock waves into the ground. In marine seismic surveys, air guns are used that send loud blasts deep into the seafloor. These explosions go off every 10 or 15 seconds, 24 hours a day, often for weeks on end. Seismic blasting is especially harmful to marine mammals. It injures hearing, disrupts behavior, and sometimes even leads to stranding of whales and dolphins. Blasting also impacts fish by damaging their air bladders and eggs, and it disturbs the delicate balance of zooplankton populations, which are crucial for the marine food web. Uruguay's Chamber of Fisheries reported that fishing catches dropped by 42% in the year after seismic blasting began off the country's coast.¹⁵

On land, exploration often begins with clearing vegetation and reshaping landscapes to make way for access roads, drilling pads, and other infrastructure – destroying habitats and fragmenting local ecosystems. The blasts can also lead to soil liquefaction, damage buildings and disrupt the natural recharge of aquifers. Drilling exploratory wells brings further risks, as drilling fluids can contaminate surface and groundwater sources. Exploration often sparks conflicts over land use and resources with local communities, which can potentially spiral into violence and human rights abuses.

In the 10 years since the Paris Agreement was adopted, over **930,000 km²** – an area larger than Venezuela – **was opened for oil and gas exploration in Latin America and the Caribbean.**¹⁶ Almost 44% of the awarded exploration acreage lies in Mexico and Brazil.

Latin American countries with the largest exploration acreage 2016-2025¹⁷

Rank	Country	Area awarded for oil and gas exploration (km ²)
1	Brazil	205,044
2	Mexico	183,631
3	Argentina	162,357
4	Uruguay	105,000
5	Colombia	73,839

¹⁵ <https://www.theguardian.com/global-development/2025/jan/30/like-dropping-a-bomb-why-is-clean-energy-leader-uruguay-ramping-up-the-search-for-oil>

¹⁶ Calculated with Rystad Energy data.

¹⁷ Exploration acreage according to Rystad Energy.

As government delegations are preparing to commence the climate negotiations in Belém, national and international oil and gas companies are searching for new oil and gas reserves in 24 countries across Latin America and the Caribbean.

Since 2021, the International Energy Agency (IEA) has consistently warned that exploration for new oil and gas reserves is incompatible with the 1.5°C limit,¹⁸ but the industry continues to invest billions of dollars in new exploration each year. From 2022 to 2024, oil and gas companies spent **US \$28.3 billion** prospecting for new oil and gas resources in Latin America and the Caribbean. According to Urgewald’s analysis of Rystad Energy data, this amounts to almost 14% of global capital expenditures (CAPEX) on oil and gas exploration.

Companies with the Highest Exploration CAPEX in Latin America & the Caribbean, 2022–2024¹⁹

Company	HQ Country	Exploration CAPEX (US \$M)	Exploration Countries
Pemex	Mexico	9,465	Mexico
Petrobras	Brazil	2,616	Brazil, Colombia, Bolivia
ExxonMobil	USA	1,834	Guyana, Brazil, Suriname, Argentina, Colombia
Shell	UK	1,623	Brazil, Mexico, Trinidad and Tobago, Colombia, Argentina, Suriname, Uruguay
Ecopetrol	Colombia	1,183	Colombia, Brazil
Hess*	USA	845	Guyana, Suriname
TotalEnergies	France	793	Suriname, Brazil, Mexico, Argentina, Guyana
CNOOC	China	708	Guyana, Brazil
BP	UK	667	Brazil, Trinidad and Tobago, Argentina
Chevron	US	482	Brazil, Suriname, Mexico, Colombia, Argentina, Uruguay

*Acquired by Chevron in July 2025

¹⁸ <https://www.iea.org/reports/net-zero-roadmap-a-global-pathway-to-keep-the-15-0c-goal-in-reach>

¹⁹ Calculated on the basis of Rystad Energy data.

7 of the top spenders on exploration for new oil and gas reserves in Latin America are headquartered outside the region. The clear leader, however, is Mexico's state-owned Petróleos Mexicanos (Pemex), whose exploration spending far exceeds that of any competitor.

Pemex – A Company Mired in Debt and Corruption Allegations

Mexico's national oil company Petróleos Mexicanos (Pemex) is the world's most indebted oil company.²⁰ Pemex registered net profits in only 3 of the past 14 years.²¹ In 2025, its outstanding debt reached US \$101 billion, an amount equal to almost 6% of Mexico's GDP.²² While one third of Mexico's population lives below the poverty line and has inadequate access to healthcare services,²³ Mexico's government continues to sink billions of dollars into its troubled national oil company. In 2025, the government channeled US \$6.7 billion from the national budget to Pemex²⁴ and issued securities that provide an additional US \$12 billion in collateral to the company.²⁵

One of Pemex's most costly flops is the Olmeca refinery, located in the port of Dos Bocas in Tabasco state. When construction began in 2019, the project's supposed price tag was US \$8 billion. In the meantime, the price has risen to over US \$20 billion due to design flaws and mistakes during construction. The refinery began processing crude oil in 2024, but has been plagued by frequent shut-downs, and analysts are skeptical whether the plant will ever reach its planned capacity of 340,000 barrels per day.²⁶ Apparently, Pemex is currently considering selling Olmeca to a private investor for an estimated US \$10 billion.²⁷

Pemex's dominance in the energy sector has **entrenched Mexico's dependence on fossil fuels**, crowding out investments in renewables and grid infrastructure. In March 2025, a major blackout hit Cancún and the Yucatán Peninsula. Businesses, hotels, airports and public transit ground to a halt. Multi-state blackouts have become an annual occurrence in Mexico, affecting millions of households and severely impacting industry. Funds that should have been invested in grid infrastructure and renewable solutions, including utility-scale battery storage, were instead used to bail out Pemex.²⁸

²⁰ <https://www.economist.com/the-americas/2023/10/12/pemex-is-the-worlds-most-indebted-oil-company>

²¹ <https://www.energypolicy.columbia.edu/understanding-pemexs-post-election-challenges-through-six-charts/>

²² <https://energy-analytics-institute.org/2025/04/30/pemex-debt-reaches-101-1bn-at-the-end-of-the-1q25-up-3-5-compared-to-ye24/>

²³ [https://www.bbvaresearch.com/en/publicaciones/mexico-poverty-decreases-at-its-lowest-level-363-but-access-to-health-deteriorates/#:~:text=Summary,in%20extreme%20poverty%20\(7.1%25\).](https://www.bbvaresearch.com/en/publicaciones/mexico-poverty-decreases-at-its-lowest-level-363-but-access-to-health-deteriorates/#:~:text=Summary,in%20extreme%20poverty%20(7.1%25).)

²⁴ AR 20-F 24 Petróleos Mexicanos (Pemex) p.120 ; available at: https://www.pemex.com/ri/reguladores/ReportesAnuales_SEC/PEMEX_20-F_2024.pdf

²⁵ <https://www.offshore-technology.com/news/mexico-12bn-debt-offering-aid-state-oil-company-pemex/>

²⁶ <https://energiesnet.com/mexicos-20b-pemex-dos-bocas-refinery-flops-amid-trumps-tariff-threats/>

²⁷ <https://www.qcintel.com/article/mexico-s-pemex-seeking-buyer-for-dos-bocas-refinery-report-44566.html>

²⁸ <https://bxenergysystems.com/blog/mexicos-grid-is-reaching-its-breaking-point/>

Still Exploring, Not Transitioning

Between 2022 and 2024, Pemex spent more than any other company on oil and gas exploration in Latin America. The bulk of Pemex's exploration activities are in the Gulf of Mexico, where the company is searching for new oil and gas deposits in depths of over 1,500 meters.

The Gulf of Mexico is home to over 15,000 species, of which 1,511 are unique to this region. It is a breeding ground for endangered sperm whales and critical habitat for shortfin mako sharks and leatherback sea turtles.²⁹ It also supports the livelihoods of over 90,000 artisanal fisher families. As Oceana Vice-President Renata Terrazas states, when it comes to oil and gas activities in the region, *“the equation is very simple: large transnational corporations will win and coastal communities will lose.”*³⁰

Mexico's Number One Polluter

Founded in 1938, Pemex is the world's 11th largest historical carbon emitter.³¹ The company is also notorious for flaring and venting methane.³² An investigation by México Evalúa shows that the company's methane footprint per barrel of oil is 8 times higher than ExxonMobil's.³³ Methane is a powerful greenhouse gas and is 86 times more potent than carbon dioxide in the first 20 years after it is released. Flaring is also extremely harmful for nearby communities. Residents suffer from headaches, nausea, nosebleeds, vomiting and respiratory problems.³⁴ Pemex's refineries emit black smoke laden with toxic gases and particulate matter,³⁵ which cause respiratory illnesses, cardiovascular diseases, and cancer.³⁶

²⁹ <https://mx.oceana.org/wp-content/uploads/sites/17/2025/03/informe-petroleo-digital.pdf>

³⁰ <https://es.wired.com/articulos/proponen-blindar-el-golfo-de-mexico-contra-la-explotacion-petrolera-en-aguas-profundas>

³¹ <https://carbonmajors.org/Entities>

³² <https://www.energypolicy.columbia.edu/publications/pemexs-flaring-challenges-debt-and-oil-production-priorities-limit-flaring-mitigation-options/>

³³ <https://www.mexicoevalua.org/emisiones-de-metano-en-pemex-8-veces-superiores-a-empresas-que-producen-mas-petroleo/#:~:text=De%202018%20a%202022%20el,procesos%20de%20exploraci%C3%B3n%20y%20producci%C3%B3n.>

³⁴ <https://www.milenio.com/politica/evidencias-afectaciones-salud-petroleo-gas-golfo>

³⁵ <https://lacoperacha.org.mx/refineria-olmeca-impacta-salud-ninos-escuelas-colindantes-2024/>

³⁶ <https://oem.com.mx/elsoldemexico/mexico/refineria-de-tula-provoca-malos-olores-y-afecta-salud-de-personas-desde-su-apertura-13098225.app.json>



Pemex' gas processing plant in Tabasco is a constant source of deadly methane emissions. © Benjamín Soto / Conexiones Climáticas

Frequent oil spills are another byproduct of Pemex's operations. According to a report by the magazine Gatopardo, the company was responsible for 655 fossil fuel spills and leaks between 2008 and 2021.³⁷ Investigations based on satellite imagery show that Pemex failed to report most of its oil spills in the past 6 years.³⁸ In July 2023, environmental organizations uncovered a major oil spill from Pemex's Ek-Balam field in the Gulf of Mexico after one of the company's platforms exploded. Satellite imagery suggests that the spill polluted at least 467 km² of ocean surface before it was contained.³⁹ Communities mobilized to clean beaches and rescue oil-stricken wildlife, but the damage was severe: dead turtles washed ashore during their mating season,⁴⁰ and local fishers faced devastating economic losses.⁴¹

³⁷ <https://www.gatopardo.com/articulos/pemex-contamino-655-lugares-en-mexico-entre-2008-y-2021-semarnat>

³⁸ <https://www.noroeste.com.mx/inndaga/imagenes-satelitales-revelan-seis-anos-de-derrames-de-petroleo-no-reportados-por-las-empresas-en-el-golfo-de-mexico-NB10773871>

³⁹ <https://aristeguinoticias.com/2207/mexico/derrame-de-petroleo-en-golfo-de-mexico-se-extiende-476-kms-especialistas/>

⁴⁰ <https://es.mongabay.com/2023/08/mexico-consecuencias-ambientales-del-derrame-de-petroleo-que-pemex-minimizo/>

⁴¹ <https://carmendigital.mx/2023/08/03/pescadores-exigen-a-pemex-resarcir-danos-por-derrames-en-sonda-de-campeche/>

Less than a year later – in March 2024 – Pemex was responsible for yet another oil spill in the Gulf.⁴² NGOs report that between 2022 and 2024, the company’s pollution rates surged by 152%, while its budget for infrastructure maintenance was cut in half.⁴³ As Pablo Montaña from the NGO Conexiones Climáticas says, *“Oil spills and other fossil fuel disasters are not accidents, but an integrated aspect of the industry’s regular operation. The possibility of these major polluting incidents is a form of externalization of its operation costs, where communities and ecosystems are left with an unpayable tab.”*

Investors Turning Away from Pemex

In May 2025, the Norwegian Government Pension Fund – the world’s largest sovereign wealth fund – divested Pemex, citing serious unresolved corruption risks.⁴⁴ The decision came on the heels of a damning investigation by the Norwegian Council on Ethics which identified systemic irregularities, multiple cases of bribery and opaque contract handling. It also criticized Pemex’s lack of response to internal and external corruption allegations. Among the numerous cases listed in the report are payments by the multinational trading company Vitol, which admitted to bribing Pemex officials between 2017 and 2020 to secure contracts.⁴⁵ The Council also raised concerns over recent cases of retaliation against whistleblowers and recommended the exclusion of Pemex from the Pension Fund as *“the risk of continued corruption is unacceptably high.”*⁴⁶

Other investors have also turned their backs on Pemex, citing its mounting debt, governance failures and abysmal environmental record. So far, 52 global investors have excluded the company from their portfolios—signaling a growing view that Pemex represents serious financial, reputational, and transition risks.⁴⁷ Meanwhile, pressure is building from civil society organizations, who are calling on the Mexican government to invest in a resilient renewable energy future instead of allowing Pemex to drag the country further into fossil fuel dependency.

Across Latin America and the Caribbean, opposition is mounting against the oil and gas industry’s rush to claim new land and offshore areas for exploration.

⁴² <https://www.bloomberglia.com/latinoamerica/mexico/pemex-enfrenta-nuevo-derrame-de-petroleo-en-el-golfo-de-mexico/>

⁴³ <https://www.greenpeace.org/mexico/noticia/54028/denuncian-organizaciones-nuevo-derrame-de-crudo-cerca-de-la-plataforma-siniestrada-el-6-de-abril-en-la-sonda-de-campeche/>

⁴⁴ <https://www.nbim.no/en/news-and-insights/the-press/press-releases/2025/decisions-on-special-ownership-dialogue-and-exclusion/>

⁴⁵ [https://www.justice.gov/archives/opa/pr/former-energy-trader-vitol-inc-pleads-guilty-international-bribery-scheme#:~:text=\(Vitol\)%2C%20the%20U.S.%20affiliate,at%20PEMEX%20Procurement%20International%2C%20INC.](https://www.justice.gov/archives/opa/pr/former-energy-trader-vitol-inc-pleads-guilty-international-bribery-scheme#:~:text=(Vitol)%2C%20the%20U.S.%20affiliate,at%20PEMEX%20Procurement%20International%2C%20INC.)

⁴⁶ <https://files.nettsteder.regjeringen.no/wpuploads01/sites/275/2025/05/PEMEX-rec-ENG-1.pdf>

⁴⁷ [https://financialexclusionstracker.org/exclusion-list?company_name=Petr%C3%B3leos+Mexicanos+\(PEMEX\)](https://financialexclusionstracker.org/exclusion-list?company_name=Petr%C3%B3leos+Mexicanos+(PEMEX))

In 2017, Belize became the first country in the world to announce a permanent moratorium on offshore oil exploration in its waters.⁴⁸ Four years later, 7 municipalities in Costa Rica joined the Initiative for a Fossil Fuel Non-Proliferation Treaty, pledging to ban oil and gas exploration and extraction within their territories. Their example was soon followed by several national capitals, including Belmopan, Castries, Kingston, Lima, and Port-au-Prince.⁴⁹

In Argentina, when the government granted Equinor, YPF, and Shell licenses for seismic testing off Mar del Plata in 2022, thousands filled the region's beaches in protest.⁵⁰ In a national referendum in 2023, 59% of Ecuador's citizens voted to end oil exploration and drilling in Yasuní National Park.⁵¹ And ahead of COP 30, Indigenous leaders from 5 Amazonian countries issued a joint call for a complete ban on oil and gas exploration across the Amazon.⁵² As the news outlet Infoamazonia warns, the Amazon and its surrounding offshore areas have become a key global oil frontier. Almost one-fifth of the global oil and gas reserves that were discovered between 2022 and 2024 are found here.⁵³



Yasuní Vive! Ecuadorians rejected oil drilling in the Yasuní National Park in 2023. © Amazon Watch

⁴⁸https://wwf.panda.org/wwf_news/?319372/Belize%2Dbecomes%2Da%2Dworld%2Dleader%2Din%2Docean%2Dprotection%2Dby%2Dending%2Doil%2Dactivity%2Din%2Dits%2Dwaters

⁴⁹ <https://fossilfuelstreaty.org/endorsements/#cities>

⁵⁰ <https://www.batimes.com.ar/news/argentina/thousands-protest-oil-exploration-project-off-coast-of-argentina.phtml#:~:text=The%20protesters%20oppose%20a%20recent,and%20Anglo%2DDutch%20company%20Shell.>

⁵¹ <https://www.dw.com/en/ecuador-voters-reject-oil-drilling-in-the-amazon/a-66592504>

⁵² <https://www.climatechangenews.com/2025/04/23/shameful-amazon-indigenous-people-assembly-oil-drilling-ban-cop30/>

⁵³ <https://infoamazonia.org/en/2025/04/01/the-amazon-rainforest-emerges-as-the-new-global-oil-frontier/>

Case Study: Auctioning Off the Peruvian Amazon

The Peruvian Amazon is one of the most culturally diverse areas on Earth. It is home to over 60 Indigenous peoples, each with their own unique culture, language, artistic tradition and way of life, but all centered around a deep spiritual connection with the land. As Alfonso López of the Kukama people says: *“The territory is within us; we are the territory.”*⁵⁴

Since the 1970s, the territories of the Achuar, Chapra, Kichwa, Kukama, Wampís, and other Indigenous peoples have been invaded by oil companies, including Occidental Petroleum and Petroperú. Today, oil and gas concessions cover **33% of the nation’s Indigenous territories**, including 20% of the lands inhabited by Indigenous peoples **living in isolation or in initial contact situations**.⁵⁵ These peoples have chosen isolation as a way to preserve their cultures and shield themselves from diseases, violence, and conflict brought by outsiders.

In 2024, Peru’s oil and gas regulator invited bidding on 47 oil and gas blocks. 38 of these blocks overlap with protected areas and Indigenous reserves.⁵⁶ As Julio Cusurichi Palacios, from the national Indigenous rights federation AIDSEP, states: *“The rights of Indigenous peoples are not being respected and the contamination of our rivers and territories continues. There are threats to uncontacted Indigenous Peoples, regulations that make environmental standards weaker, and oil and gas lots continue to be promoted.”*⁵⁷

Indigenous communities have fought oil and gas extraction on their lands through lawsuits, road and river blockades, and the occupation of pipelines and drilling sites. In 2015, Kichwa communities blocked the Tigre River for nearly a month, stringing cables across the water to stop oil company boats.⁵⁸ In 2017, Achuar communities in northern Peru occupied 5 petroleum pumping and processing facilities, halting oil production in the country’s largest oil block for 43 days.⁵⁹ In 2020 and again in 2021, Indigenous protesters seized a pipeline station of the country’s national oil company Petroperú. But standing up to the oil and gas industry in Peru carries great risks. Leaders like Olivia Bisa Tirko, head of the autonomous government of the Indigenous Chapra Nation, face relentless harassment, repeated death threats, and worse. On

⁵⁴ <https://www.wrm.org.uy/bulletin-articles/peru-against-oils-devastation-of-territories-and-indigenous-rights-the-way-of-the-rivers>

⁵⁵ https://www.banktrack.org/article/environmental_and_social_policies_of_major_amazon_oil_and_gas_financiers_fai_l_to_protect_the_rainforest_and_its_peoples

⁵⁶ <https://www.infobae.com/peru/2024/09/22/areas-protegidas-de-la-amazonia-peruana-en-peligro-por-promocion-de-la-empresa-petrolera-del-minem/>

⁵⁷ <https://apnews.com/article/peru-indigenous-oil-gas-exploration-human-rights-commission-amazon-violate-70bdb220736f1e8cdf4c416157ae83a4>

⁵⁸ <https://warriorpublications.wordpress.com/2015/02/02/perus-indigenous-people-blockade-oil-company-on-river-tigre/>

⁵⁹ <https://theintercept.com/2017/12/27/peru-amazon-oil-pollution-indigenous-protest/>

4 separate occasions, intruders tried to break into her home, and once even attempted to kidnap her children.⁶⁰

The Chapra are part of the MarAmazonía Alliance, which is urging companies to refrain from participating in Peru's new round of oil and gas bids. The alliance is composed of artisanal fishing guilds that are fighting offshore drilling, as well as the Wampís, Achuar, and Chapra Nations – whose lands are in imminent danger of oil exploitation by Petroperú.⁶¹



People in Peru are opposing oil projects in the Amazon. © Handrez Garcia/Amazon Watch

Petroperú's Desperate Push for Block 64

Since 2014, Peru's state-owned oil and gas company Petroperú has been trying to revive one of the most contested oil blocks in the Peruvian Amazon. Block 64 is located in the Loreto region near the Ecuadorian border, and is believed to hold around 55 million barrels of oil. It overlaps with more than **7,600 km² of rainforest** and includes the ancestral lands of at least **22**

⁶⁰ <https://www.climatechangenews.com/2025/04/23/shameful-amazon-indigenous-people-assembly-oil-drilling-ban-cop30/>

⁶¹ https://www.banktrack.org/article/strength_in_unity_maramazonia_alliance_takes_on_petroperu_at_its_largest_refinery

Indigenous communities, including the Achuar, Wampís, Chapra, and Candoshi. For 14 of these communities, the block covers over **90% of their territory**.⁶²

The Peruvian government granted the concession for Block 64 in November 1995 without consulting any of the affected Indigenous communities. Over the last 30 years, their unwavering resistance has driven out 6 operators,⁶³ including major oil companies like Occidental Petroleum, ARCO, Talisman Energy (now Repsol), and the Colombian company GeoPark. Since GeoPark withdrew in 2022, Petroperú has been trying to find a new partner to operate the contested oil concession.

When Petroperú, however, ran an open tender process for Block 64 in May 2025, it failed to attract a single bid. This is the result of years of protests, legal advocacy, and international campaigning by the Achuar, Wampís and Chapra.⁶⁴ Their opposition has created immense legal, financial, and reputational risks for companies seeking to exploit the region’s oil reserves.

“Petroperú’s decision to cancel the tender for Block 64 is a great relief. However, we remain vigilant, knowing that it will likely continue seeking investors to exploit this block. We are making a difference, and we will not stand idly by in the face of activities that threaten our territories and our way of life.”⁶⁵

Olivia Bisa Tirko, President of the Autonomous Territorial Government of the Chapra Nation

⁶² <https://es.mongabay.com/2022/02/lote-64-que-significa-para-22-comunidades-wampis-achuar-y-candoshi-de-peru-que-su-hogar-sea-tierra-destinada-a-la-actividad-petrolera/>

⁶³ <https://amazonwatch.org/news/2022/0208-new-oil-company-enters-failed-block-64-again>

⁶⁴ <https://www.servindi.org/seccion-pueblos-indigenas-actualidad-noticias/20/01/2025/insisten-en-imponer-lote-64-wampis>

⁶⁵ amazonwatch.org/news/2025/0520-the-amazon-vs-big-oil-why-petroperus-latest-defeat-matters-globally



People are protesting against Petroperu's activities in Indigenous territories. © Amazon Watch

A Legacy of Destruction: Blocks 8 and 192

The opposition to Block 64 is rooted in the **tragic legacy of Blocks 8 and 192**. Both blocks are also located in the Loreto region and have had disastrous impacts on Indigenous territories. Areas where the Achuar people used to hunt and gather food are now laced with oil wells, oil residue and barrels of toxic waste. Lead and arsenic have contaminated the soil and water.⁶⁶ Children repeatedly suffer from skin infections. Affected communities have high rates of birth defects and premature deaths.⁶⁷

The Oleoducto Norperuano (ONP), a pipeline that transports oil from Blocks 8 and 192 through the rainforest, has spilled innumerable times.⁶⁸ It slices through Indigenous territories and biodiversity hotspots such as the Ramsar-protected Pastaza River wetlands.⁶⁹ Pluspetrol Norte,

⁶⁶ <https://news.mongabay.com/2023/09/peruvian-amazon-wounds-remain-after-50-years-of-oil-spills-on-achuar-land/>

⁶⁷ <https://www.theguardian.com/environment/2015/mar/05/indigenous-peruvians-amazon-pollution-settlement-us-oil-occidental>

⁶⁸ <https://news.mongabay.com/2023/09/peruvian-amazon-wounds-remain-after-50-years-of-oil-spills-on-achuar-land/>

⁶⁹ <https://rsis Ramsar.org/ris/1174>

the former operator of Lots 8 and 192, declared bankruptcy in 2020, walking away from over 1,900 contaminated sites⁷⁰ and US \$47 million in fines.⁷¹ The company was responsible for more than **a quarter of oil spills in Peru between 1997 and 2023.**⁷²

In 2024, the Canadian oil company Altamesa signed an agreement with Petroperú to restart operations in Block 192. But in March 2025, **Altamesa** withdrew,⁷³ leaving Petroperú with hefty financial obligations that “could seriously jeopardize the company’s financial stability,” according to Peru’s Comptroller General.⁷⁴ In July 2025, Petroperú therefore hastily announced the selection of a new partner – a company called Upland Oil & Gas – to help it re-start production in Block 192. While the new partner must first be approved by Peru’s national oil and gas regulator, the country’s highly respected business weekly, *Semana Económica*, has already warned that Upland Oil & Gas may lack the necessary financial capacity.⁷⁵

The Debt Trap: Talara Refinery and Oil Expansion

Petroperú’s push to extract oil from Blocks 64, 8 and 192 is closely tied to its newly refurbished Talara oil refinery. The upgrade, which boosted the refinery’s capacity by 45%, was plagued by delays, cost overruns, and technical problems – leaving the company with more than US \$5 billion in debt.⁷⁶ In September 2024, Petroperú’s entire board resigned due to the company’s dire financial situation.⁷⁷

Without oil from the 3 northern blocks, the Talara refinery risks becoming a stranded asset – unable to generate the revenue needed to service Petroperú’s massive debts.⁷⁸ This outcome could have been avoided when Petroperú sought financing for the project. But instead of considering the environmental and social costs of locking in new oil flows through Talara’s expansion, HSBC, Citigroup, Bank of America, and Santander looked the other way, and channeled over US \$4.7 billion to the project between 2017 and 2021.⁷⁹ Although HSBC’s and

⁷⁰ <https://ojo-publico.com/1668/del-amazonas-holanda-la-ruta-offshore-pluspetrol>

⁷¹ <https://news.mongabay.com/2022/09/pluspetrol-norte-a-history-of-unpaid-sanctions-and-oil-spills-in-the-peruvian-amazon/>

⁷² P.86: https://oi-files-cng-v2-prod.s3.eu-west-2.amazonaws.com/peru.oxfam.org/s3fs-public/La_sombra_de_los_hidrocarburos-1.pdf?VersionId=HmPb9ab2xjYvoiYtaERL_9xncVA0fnW

⁷³ <https://www.petroperu.com.pe/proyectos-y-unidades-operativas/proceso-de-seleccion-de-socio-estrategico/lote-192/>

⁷⁴ <https://www.infobae.com/peru/2025/04/16/contraloria-petroperu-no-dispone-de-liquidez-para-asumir-obligaciones-del-lote-192-tras-salida-de-altamesa-que-mas-dice-el-informe/>

⁷⁵ <https://semanaeconomica.com/sectores-empresas/energia/petroperu-upland-sera-el-socio-estrategico-en-el-lote-192>

⁷⁶ <https://inversionistas.petroperu.com.pe/wp-content/uploads/2025/02/petroperu1-announces-first-quarter-2025-earnings-results-1q25.pdf>

⁷⁷ <https://www.worldoil.com/news/2024/10/17/petroperu-still-operating-without-a-board-after-last-month-s-mass-resignation/>

⁷⁸ <https://www.rumbominero.com/peru/noticias/hidrocarburos/ipigp-nueva-refineria-talara-no-es-viable-sin-oleoducto-y-lotes-selva/>

⁷⁹ According to Stand.earth, JPMorgan Chase, HSBC Securities (USA), Bank of America, Santander Investment Securities Inc, Citibank, and Goldman Sachs provided over US \$4.7 billion for the upgrade of the Talara Refinery between 2017 and 2021. See: https://stand.earth/wp-content/uploads/2023/07/Stand-Banks-English-Report-AW2.0_LowRes.pdf

Santander’s policies exclude activities that harm protected Ramsar Sites,⁸⁰ both banks ignored the fact that future oil flows to Talara will endanger the Pastaza River wetlands.⁸¹

In late 2024, just months after restarting operations, a pipe at the Talara refinery ruptured, coating 10 km of Peru’s coastline in crude oil. Three days after the spill, Peru’s Environment Ministry declared a 90-day emergency, leaving over 4,000 fishing families without a livelihood as the company struggled to clean the oil-stricken beaches.⁸² Only months before the spill, Petroperú sought support from JPMorgan Chase and Citigroup for a US \$1 billion bond issue to refinance the debt incurred for its refinery.⁸³ The company is locked into a vicious cycle of debt-fueled fossil fuel expansion – threatening the future of Peru’s Amazonian peoples and coastal communities.

Chapter 2: Upstream Oil and Gas Expansion

The Life Cycle of an Oil and Gas Asset

Bringing new oil and gas reserves into production requires substantial upfront investment. Once reserves are discovered, companies assess whether their extraction is technically and commercially viable. This appraisal involves further seismic testing and drilling of test wells to determine the size and characteristics of the deposit. At the end of the appraisal stage, companies decide whether to pursue the development of the discovered oil or gas fields. If they proceed, the project moves into the “field evaluation stage,” where front-end engineering design is finalized, and decisions are made on well placement, recovery methods and transport logistics. The final step before production is the development stage, during which infrastructure is built and production wells are drilled. The time span from field evaluation to first production varies, but can take up to 7 years.⁸⁴ Once production starts, oil and gas fields typically operate for 15 to 30 years.⁸⁵

Urgewald’s Global Oil & Gas Exit List (GOGEL) evaluates each company’s short-term expansion plans by identifying which of its oil and gas assets have progressed to the field evaluation or development stage.⁸⁶ GOGEL’s short-term expansion metric quantifies the oil and gas resources a company aims to bring into production in the coming years. It does not include oil and gas

⁸⁰ In force since 1975, the Ramsar Convention protects wetlands recognized as vital to the world’s biodiversity and ecosystems.

⁸¹ <https://www.thebureauinvestigates.com/stories/2024-02-19/santander-arranged-billion-dollar-oil-bond-after-making-green-pledge/>

⁸² <https://news.mongabay.com/2025/04/peruvian-fishers-sue-for-additional-compensation-after-big-december-oil-spill/>

⁸³ <https://www.newsweek.com/wall-street-banks-fund-destruction-our-indigenous-land-opinion-1902699>

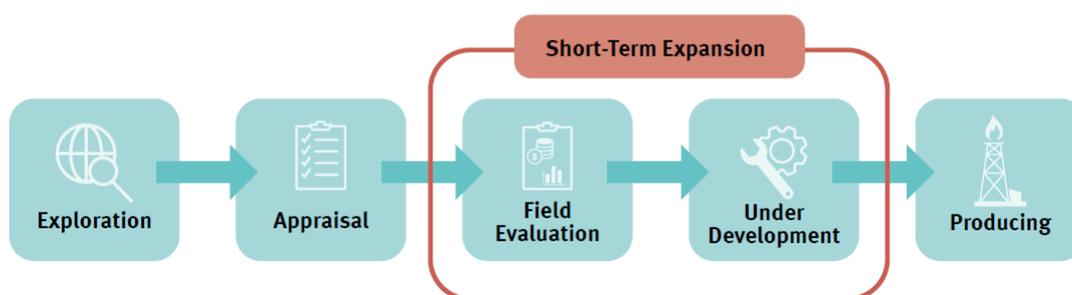
⁸⁴ The time needed to bring an asset into production varies for different types of assets. Fracking assets generally enter production within 1-2 years, while moving an ultra deepwater asset into production can take 10 years or longer.

⁸⁵ <https://www.planete-energies.com/en/media/article/life-cycle-oil-and-gas-fields>

⁸⁶ GOGEL uses data from Rystad Energy to determine the development stages of each company’s oil and gas assets.

assets in the exploration or appraisal stage as it is not yet certain whether companies will proceed with their development.

Life Cycle Stages of an Oil and Gas Asset



The Big Picture on Upstream Expansion in Latin America & the Caribbean

Currently, national and international oil and gas companies are preparing to add **25 billion barrels of oil equivalent** to their production portfolios in Latin America and the Caribbean.⁸⁷ The extraction and combustion of these resources would release 10 billion tons of CO₂eq into the atmosphere.⁸⁸ This is 3 times more than the EU emits each year,⁸⁹ and is equal to 7.7% of our remaining carbon budget for limiting global warming to 1.5°C.⁹⁰

The region's upstream oil and gas expansion is split between domestic and foreign players. 46% of the hydrocarbon resources under development⁹¹ are controlled by companies headquartered in Latin America and the Caribbean. More than half of these resources are, however, in the hands of foreign companies: European firms are responsible for **26%**, North American companies for **16%**, and Asian companies for **10% of the region's upstream oil and gas expansion**.

GOGEL's short-term expansion data also reveals that oil and gas development in Latin America and the Caribbean is becoming more extreme, shifting towards higher-risk environments and more damaging extraction methods. A staggering 77% of the region's hydrocarbon expansion can be classified as "unconventional".⁹² Out of the new oil and gas resources under

⁸⁷ GOGEL's short-term expansion metric includes all oil and gas resources that are in the field evaluation or development stages.

⁸⁸ Calculation based on: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator-calculations-and-references>

⁸⁹ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Greenhouse_gas_emission_accounts

⁹⁰ <https://climate.leeds.ac.uk/news/scientists-find-three-years-left-of-remaining-carbon-budget-for-1-5c/>

⁹¹ The term „under development“ refers to oil and gas assets that are either in the field evaluation or development stage.

⁹² GOGEL identifies 6 categories of unconventional oil and gas: Fracking, tar sands, extra heavy oil, coalbed methane, Arctic and ultra deepwater drilling. Oil and gas operations in these categories come with exceptionally high environmental impacts or risks, which make them particularly controversial.

development, 22% will be extracted through fracking, and 55% are located in ultra deepwater – offshore areas with depths exceeding 1,500 meters.⁹³

Info box: Ultra Deepwater Drilling

15 years have passed since BP's Deepwater Horizon oil rig triggered one of the worst environmental catastrophes in history. BP was drilling in the Gulf of Mexico at a depth of 1,522 meters when critical safety systems failed. Oil and gas surged up the well at extreme pressures, triggering a massive explosion that killed 11 workers.⁹⁴ It took BP 87 days to cap the well spewing oil and gas into the sea – by then, the damage was irreversible.⁹⁵

Nearly 5 million barrels of crude oil poured into the Gulf, contaminating more than 2,000 kilometers of shoreline.⁹⁶ The local seafood industry suffered losses of up to US \$900 million.⁹⁷ Hundreds of thousands of oil-stricken birds, fish, turtles, whales and marine mammals perished.⁹⁸ BP had to pay over US \$65 billion in liabilities following the spill.⁹⁹

Studies in the Gulf of Mexico show that every 30 meters of added depth increases the likelihood of an accident by 8.5%,¹⁰⁰ yet offshore oil and gas operators continue pushing into ever deeper waters.

Drilling in ultra deepwater – at depths beyond 1,500 meters – comes with extreme technical, environmental, and safety risks. Equipment must withstand crushing pressures and sharp temperature contrasts, operating in near-freezing seawater while channeling oil and gas that gush out at scalding heat from beneath the seabed. These harsh conditions significantly increase the risk of equipment failure and well blowouts. The remoteness of ultra deepwater sites slows emergency response times, amplifying the potential for catastrophic spills.¹⁰¹ These factors – as well as limited oversight and stormy ocean conditions – make ultra deepwater drilling one of the most hazardous and environmentally risky forms of hydrocarbon extraction.

Today's drilling rigs often operate at depths far beyond those of Deepwater Horizon. Occidental Petroleum and Ecopetrol are preparing to drill the world's deepest offshore well – nearly 3,900 meters beneath the waters off Colombia's coast.¹⁰² By 2028, Pemex and Woodside plan to bring

⁹³ Urgewald Research based on Rystad Energy data.

⁹⁴ <https://www.csb.gov/macondo-blowout-and-explosion/>

⁹⁵ Deep Water: The Gulf Oil Disaster and the Future of Offshore Drilling - Report to the President (BP Oil Spill Commission Report)

⁹⁶ <https://response.restoration.noaa.gov/about/media/effects-deepwater-horizon-oil-spill-coastal-salt-marsh-habitat.html>

⁹⁷ <https://oceanservice.noaa.gov/education/tutorial-coastal/oil-spills/os05.html>

⁹⁸ <https://www.science.org/content/article/seabird-losses-deepwater-horizon-oil-spill-estimated-hundreds-thousands>

⁹⁹ <https://www.theguardian.com/business/2018/jan/16/bps-deepwater-horizon-bill-tops-65bn>

¹⁰⁰ <https://www.sciencedirect.com/science/article/abs/pii/S030142151201141X>

¹⁰¹ <https://www.theverge.com/2020/4/20/21228577/offshore-drilling-deepwater-horizon-10-year-anniversary>

¹⁰² <https://archive.is/lAJJ0#selection-1513.35-1513.48>

Mexico’s first ultra-deepwater block into production at depths exceeding 2,500 meters.¹⁰³ Most of ExxonMobil’s current and planned production blocks in Guyana are located at depths of 1,700 to 2,000 meters,¹⁰⁴ and in August 2025, the company secured an exploration license from Trinidad and Tobago for 7 offshore blocks that extend to depths of nearly 3,000 meters.¹⁰⁵

Latin America and the Caribbean are the biggest hotspot for ultra deepwater oil and gas expansion, accounting for nearly 60% of the world’s ultra deepwater resources currently under development.¹⁰⁶

Which Companies Are Driving Upstream Oil and Gas Expansion?

Just 12 companies are responsible for more than 77% of short-term upstream oil and gas expansion in Latin America and the Caribbean, with Brazil’s state-owned Petrobras far outpacing the rest. Petrobras is developing over 3.7 times more hydrocarbon resources in the region than ExxonMobil, the second-largest player.

The Top 12 Upstream Expansionists in Latin America & the Caribbean¹⁰⁷

Rank	Company	HQ Country	Short-term Expansion in million barrels of oil equivalent (mmbobe)	Where?
1	Petrobras	Brazil	7,399	Brazil
2	ExxonMobil	United States	1,957	Brazil, Guyana
3	YPF	Argentina	1,849	Argentina
4	Chevron	United States	1,369	Guyana, Argentina
5	CNOOC	China	1,317	Guyana, Brazil
6	Shell	United Kingdom	1,262	Brazil, Argentina, Trinidad and Tobago
7	TotalEnergies	France	1,165	Brazil, Suriname, Argentina
8	Equinor	Norway	760	Brazil, Argentina

¹⁰³ <https://www.slb.com/news-and-insights/newsroom/press-release/2025/slb-awarded-major-drilling-contract-by-woodside-energy-for-ultra-deepwater-trion-development>

¹⁰⁴ <https://corporate.exxonmobil.com/locations/guyana>

¹⁰⁵ <https://www.offshore-technology.com/news/exxonmobil-explore-seven-ultra-deep-blocks-trinidad-east-coast/>

¹⁰⁶ Urgewald research based on Rystad Energy data.

¹⁰⁷ Urgewald research based on Rystad Energy data.

9	Repsol	Spain	731	Venezuela, Brazil, Mexico, Trinidad and Tobago
10	Pemex	Mexico	682	Mexico
11	Vista Energy	Mexico	487	Argentina
12	Pan American Energy	Spain	484	Argentina

Petrobras: Drill Baby Drill in Brazil

“Justa para todos, justa para você.” Just for everyone, just for you. That’s the slogan of Petrobras’ new ad campaign. A famous Brazilian actress smiles into the camera. Humpback whales nod along to the message. “Our gift is just energy,” the lyrics proclaim, while people dance and cheer to Samba rhythms. The campaign is everywhere: on TV, across social media, and in the streets.

But behind the smiles and music, the numbers tell a different story. Fossil fuels account for 98% of Petrobras’ revenues, and the company is the largest developer of new upstream oil and gas resources in Latin America. With 7,399 million barrels of oil equivalent under development, Petrobras alone is responsible for 29% of all upstream expansion in Latin America and the Caribbean.¹⁰⁸

Petrobras’ oil and gas expansion sits at the heart of Brazil’s energy strategy. The federal government holds the majority of shares in the company, and as one of the country’s largest employers, Petrobras is closely tied to national policy. *“We want oil because it will still be around for a long time. We have to use oil to make our energy transition, which will require a lot of money,”* said President Luiz Inácio Lula da Silva.¹⁰⁹ But talk is cheap. An investigation by the Brazilian non-profit ClimaInfo found that the Federal Government’s Climate Fund, which is financed by oil and gas exploration, allocated less than 0.1% of its funds to the energy transition between 2018 and 2025.¹¹⁰

On initiative of President Lula, Magda Chambriard, an engineer specialized in oil production, was appointed as Petrobras’ new CEO in 2024. Under her leadership, the company has doubled down on its upstream activities. At an offshore technology conference in May 2025, Chambriard outlined her vision: *“We see Petrobras as one of the top 10 producers in the world, and one of*

¹⁰⁸ According to GOGEL’s short-term expansion metric, which includes all hydrocarbon resources in the field evaluation and development stage.

¹⁰⁹ <https://www.oc.eco.br/en/lula-jeopardizes-own-leadership-at-cop30-in-dash-for-oil/>

¹¹⁰ <https://climaInfo.org.br/2025/05/29/exploracao-de-petroleo-e-gas-nao-financia-a-transicao-energetica/>

the top 10 [energy] explorers in the world. We will be having 225,000 new barrels coming online this year. This is huge for our company, our country, and the world.”¹¹¹



Magda Chambriard and President Luiz Inácio Lula da Silva at Chambriard's inauguration as Petrobras' new CEO. „19.06.2024 - Solenidade de posse de Magda Chambriard no cargo de Presidente da Petrobras“ by Palácio do Planalto, CC BY-ND 2.0

Most of Petrobras' new investments target ultra deepwater oil production. In fact, 93% of the company's upstream expansion is tied to drilling beneath the ocean floor. Petrobras leads globally in ultra deepwater production, which means drilling more than 1,500 m below the sea surface – a method considered one of the riskiest forms of extraction. In Petrobras' case, underwater drilling reaches depths of over 2,300 meters.¹¹² In its southeastern waters, off the coast of the states of Rio de Janeiro and São Paulo, the company tapped vast pre-salt reserves discovered in the early 2000s. These geological formations – over 100 million years old – contain the largest oil reserves Petrobras has ever found.¹¹³ Since 2010, the company has reshaped its entire business strategy around its pre-salt deposits and Brazil's offshore frontier.¹¹⁴

As production from the pre-salt fields is expected to peak in the early 2030s, Petrobras is already charting the next frontier. Last year, the company discovered new oil reserves in the Equatorial Margin, a region that stretches along Brazil's northern coast from the state of Amapá to Rio

¹¹¹ <https://brazilenergyinsight.com/2025/05/06/otc-2025-petrobras-ceo-outlines-companys-aggressive-ep-plans/>

¹¹² <https://brazilenergyinsight.com/2021/12/10/petrobras-concludes-drilling-of-the-monai-well-the-deepest-in-brazil-history/>

¹¹³ <https://petrobras.com.br/en/pre-sal#5000m>

¹¹⁴ https://mz-filemanager.s3.amazonaws.com/25fdf098-34f5-4608-b7fa-17d60b2de47d/relatorios-anuaiscentral-de-downloads/3e83b65a3442fa03aef9dbcf9305b86ec176b6ffabb619f8f7985572db9d2f4/sustaninability_2010.pdf

Grande do Norte. If drilling begins here, a potential oil spill could affect 8 countries.¹¹⁵ Especially at risk are the mangroves of Amapá, which are the best preserved in the Americas,¹¹⁶ and the vast coral reef system near the mouth of the Amazon. Despite these risks, Petrobras plans to sink US \$3 billion into oil exploration along the Equatorial Margin and another US \$3.16 billion in offshore areas in the Southeast by 2029.¹¹⁷ As Chambriard says: “*We do believe we will have very good surprises once we have the [environmental] license to drill. So, what one wants to say to Amapá is, ‘Let’s drill, baby, drill!’*”¹¹⁸

But Petrobras’ drilling ambitions extend far beyond Brazil. The company is eyeing new projects in Angola, Namibia, Côte d’Ivoire, India, Suriname, and Argentina, and in recent years already secured stakes in oil and gas blocks in Colombia, South Africa and São Tomé and Príncipe.¹¹⁹ No other Latin American company is expanding its fossil fuel business faster – both at home and abroad.

Petrobras is deeply rooted in Brazilian society, but Brazilians don’t share the company’s enthusiasm for oil drilling. According to a poll by ClimaInfo and the Pollfish platform, 81% of Brazil’s citizens believe Petrobras should immediately shift to renewable energy.¹²⁰ “People in Brazil want clean energy and a healthy environment, but our national oil company remains stuck in yesterday’s dirty energy world. The only place Petrobras is transitioning is in the fantasy world of its advertising campaigns,” says Sara Ribeiro from ARAYARA.

Oil and Gas in the Brazilian Amazon

The Green Amazon Under Siege

Belém, host city for COP 30, lies at the edge of the Amazon forest along Guajará Bay in the Amazon River delta. Founded by Portugal as a gateway to the riches of the Amazon, the cargos departing from Belém’s port tell the story of the region’s exploitation, from sugar and rubber to today’s trade in tropical hardwoods, iron ore and agricultural products.¹²¹ Between 1985 and 2023, the Brazilian Amazon lost over 55 million hectares of its forest cover, mainly due to illegal deforestation for agriculture and mining.¹²² Today, only 81% of the forest remains.¹²³

¹¹⁵ <https://climainfo.org.br/2023/11/12/pedido-de-licenca-de-petroleo-na-foz-do-amazonas-preve-impacto-em-8-paises/>

¹¹⁶ https://en.wikipedia.org/wiki/Amap%C3%A1_mangroves#CITEREFSilvaRio_do_ValleSantos2007

¹¹⁷ <https://www.ibp.org.br/personalizado/uploads/2025/04/21b-equatorial-margin.pdf>

¹¹⁸ https://www.youtube.com/watch?v=SNGLcbk7d2I&ab_channel=Poder360

¹¹⁹ <https://brazilenergyinsight.com/2025/06/06/petrobras-targets-africa-as-its-main-exploration-area-outside-brazil/>

¹²⁰ <https://www.correiobraziliense.com.br/ciencia-e-saude/2024/11/6988955-brasileiros-querem-que-pais-lidere-a-transicao-energetica.html>

¹²¹ <https://www.britannica.com/place/Belem-Brazil>

¹²² https://brasil.mapbiomas.org/wp-content/uploads/sites/4/2024/08/Fact_Colecao-9_21.08-OK.pdf

¹²³ <https://brasil.mapbiomas.org/2024/08/21/em-2023-a-perda-de-areas-naturais-no-brasil-atinge-a-marca-historica-de-33-do-territorio/>

Scientists warn that if deforestation reaches between 20% and 25%, the forest could reach a point of no return, turning into a savanna-like ecosystem,¹²⁴ with dramatic consequences for the global climate, rain systems in South America and irrecoverable biodiversity losses.

Info box: The Amazon Rainforest

The Amazon rainforest spans 9 countries in South America, with the Brazilian Amazon making up about 60% of its total area. It is the world's largest forest and home to more than 40 million people,¹²⁵ including 2.7 million Indigenous people from over 350 ethnic groups¹²⁶ as well as many Afro-descendant communities. This vast region is not only a cultural heartland, but also one of the most complex and vital ecosystems on Earth. The Amazon rainforest is home to 10% of the planet's biodiversity, including 400 species of mammals, 1,300 species of birds and more than 40,000 plant species – and biologists continue to discover over 100 new species here each year.¹²⁷

For 65 million years, the Amazon has been a self-sustaining system, creating its own weather.¹²⁸ Its trees pump enormous amounts of moisture into the atmosphere each day, seeding clouds with rain in a cycle that repeats itself over and over as clouds drift westward. The forest's "flying rivers" generate up to half of the rainfall in the Amazon basin and are vital to securing urban water supplies and agricultural production in Brazil, Uruguay, Paraguay, and northern Argentina.¹²⁹ Studies found that the Amazon's hydrological cycle influences rainfall patterns as far away as the United States.¹³⁰

¹²⁴ <https://www.science.org/doi/10.1126/sciadv.aat2340>

¹²⁵ <https://www.nature.com/articles/s41586-023-06970-0>

¹²⁶ https://www.panda.org/discover/knowledge_hub/where_we_work/amazon/vision_amazon/living_amazon_initiative222/protected_areas_and_indigenous_territories/

¹²⁷ <https://www.wwf.org.uk/learn/fascinating-facts/amazon>

¹²⁸ <https://edition.cnn.com/2024/02/14/climate/amazon-rainforest-climate-deforestation-collapse-int>

¹²⁹ <https://amazonaid.org/resources/about-the-amazon/the-hydrological-cycle/>

¹³⁰ <https://www.sciencedaily.com/releases/2005/09/050918132252.htm>



Flowing through the air: The flying rivers of the Amazon transport water over great distances.

The Amazon also plays a critical role for climate stability as the carbon stored in its soils and biomass equals 15 to 20 years of worldwide CO₂ emissions. Yet, deforestation, fires and drought have now turned large areas of the Brazilian Amazon from a carbon sink into a carbon source.¹³¹

The future of the forest hangs in the balance. A 2024 study by the University of Santa Catarina warns that up to 47% of the Amazon rainforest could reach a tipping point by 2050, triggering local, regional or even a biome-wide forest collapse.¹³² The tipping points for the Amazon rainforest and the world's climate are closely intertwined. As Philip Fearnside from the National Institute for Research in Amazonia explains: *“If the Amazon forest were to collapse, it would release more than enough carbon to push climate change past a point of no return, and if global warming escapes from human control, the Amazon forest would quickly succumb.”*¹³³

Today, a new wave of exploitation threatens the Brazilian Amazon: oil and gas. The government's Permanent Concession Offer (OPC) is a continuous bidding process, where companies can put forward bids on specific oil and gas blocks at any time.¹³⁴ Brazil's National Petroleum Agency

¹³¹ <https://research.noaa.gov/deforestation-warming-flip-part-of-amazon-forest-from-carbon-sink-to-source/>

¹³² <https://www.nature.com/articles/s41586-023-06970-0>

¹³³ <https://news.mongabay.com/2025/06/why-brazil-should-abandon-its-plans-for-oil-and-gas-in-amazonia-commentary/>

¹³⁴ <https://www.gov.br/anp/pt-br/rodadas-anp/oferta-permanente>

(ANP) manages the bidding process and determines which blocks will be put on offer. Up to now, ANP has designated 105 exploration blocks and 21 production blocks within the Legal Amazon.¹³⁵ These 126 blocks are distributed across the Parnaíba, Solimões, Amazonas, Parecis, and Tacutu basins and cover an area of over 25 million hectares.

Many of the designated oil and gas blocks overlap with forests that Brazil's National Biodiversity Commission classified as priority areas for conservation.¹³⁶ 10 million hectares of priority forest areas are at risk, out of which 42% are classified as "extremely high priority" conservation areas.¹³⁷ These forests are home to highly endangered species like the jaguar, the collared tamarin (*Sauim-de-coleira*) and the rosewood tree, which require intact and undisturbed habitats for their survival. Opening these areas for oil and gas exploration invariably leads to deforestation and degradation of habitats.¹³⁸ Some of the blocks located in the Amazon contain "tight" oil or gas,¹³⁹ which would have to be extracted through fracking, a controversial extraction technique with high environmental impacts.¹⁴⁰ In many European countries as well as in two Brazilian states – Paraná and Santa Catarina – fracking is banned.¹⁴¹

¹³⁵ The Legal Amazon is a politically defined administrative region, which includes the Brazilian Amazon as well as parts of Brazil's Pantanal and Cerrado biomes.

https://www.ibge.gov.br/apps/quadrogeografico/pdf/19_Amazonia%20Legal.pdf

¹³⁶ Priority conservation areas are identified by Brazil's National Biodiversity Commission, CONABIO, which is linked to the Ministry of the Environment and Climate Change. CONABIO is responsible for promoting the implementation of Brazil's commitments under the Convention on Biological Diversity. See: <https://www.gov.br/mma/pt-br/assuntos/biodiversidade-e-biomas/biomas-e-ecossistemas/conservacao-1/areas-prioritarias/2a-atualizacao-das-areas-prioritarias-para-conservacao-da-biodiversidade-2018>

¹³⁷ <https://monitor.amazonialivredepetroleo.org/>

¹³⁸ <https://www.sciencedirect.com/science/article/pii/S0304387823000251>

¹³⁹ Tight oil and tight gas are hydrocarbons trapped in rock formations with low permeability, such as shale or dense sandstone. To extract them, producers use hydraulic fracturing, or fracking — a technique that injects large volumes of water, sand, and chemicals at high pressure into deep rock layers, creating fractures that allow hydrocarbons to flow to the surface.

¹⁴⁰ <https://www.unco.edu/nhs/biology/about-us/labs/franklin-scott/images/Meng2017.pdf>

¹⁴¹ <https://naofrackingbrasil.com.br/federal-law-ban-fracking-brazil/>

[Saguinus \(Saguinus\) bicolor \(Spix, 1823\)](#): *Sauim-de-coleira, or collared tamarin, is one of the many inhabitants of the Amazon forest.*¹⁴²



[Panthera onca \(Linnaeus, 1758\)](#): *Mother and daughter jaguars in Iguazu National Park. © Projeto Onça do Iguazu*



[Aniba rosiodora Ducke](#): *The rosewood tree's core has a beautifully red coloring.*¹⁴³



Even when oil and gas blocks do not directly overlap Indigenous territories, they often encircle them—isolating communities, fragmenting ecosystems, and intensifying external pressures. These are the very peoples who have protected the forest for generations, yet they remain among the least heard in political decision-making and the most targeted in the ongoing colonization of the Amazon. For Kretã Kaingang, president of the Articulation of Indigenous Peoples of the Southern Region (ARPINSUL), fossil fuel expansion represents an existential threat: *“Oil and gas extraction does not enrich Indigenous peoples; it only benefits large corporations. What it leaves behind is displacement, disease, and destruction. Our true wealth lies in the standing forest, in*

¹⁴² <https://www.gov.br/icmbio/pt-br/assuntos/noticias/ultimas-noticias/refugio-de-vida-silvestre-e-criado-para-protecao-do-sauim-de-coleira-no-amazonas>

¹⁴³ <http://www.belem.pa.gov.br/ver-belem/detalhe.php?p=165&i=2acessado>

clean water, in the health of our people, and in the strength of our resistance. Defending Indigenous territories is defending the survival of all.”



Kretã Kaingang (third from the left) along with other protesters against the oil and gas auctions in Brazil in 2023.

5 corporations currently dominate oil and gas exploration in the Legal Amazon: the Brazilian companies Eneva, ATEM, Dillianz and Imetame Energia and the Russian oil company Rosneft. The largest area by far is controlled by Eneva, Brazil’s biggest private gas company. It holds exploration licenses for over 31,900 km² – an area larger than Belgium – in the Parnaíba and Amazon basins. Eneva also holds production licenses for over 2,100 km², including the notorious Azulão gas field east of Manaus. In 2024, Brazil’s Federal Prosecutor’s Office filed a class action lawsuit against Eneva as the Azulão field jeopardizes the livelihoods of traditional communities in the region and overlaps lands of the Indigenous Mura people.¹⁴⁴ As Chief Jonas Mura, says: *“We were never heard; the company just arrived, deforested and drilled. They are drilling on the bones of our ancestors.”*¹⁴⁵

¹⁴⁴ <https://revistacenarium.com.br/en/sponsor-of-parintins-festival-eneva-is-targeted-by-mpf-for-threatening-indigenous-people-to-death/>

¹⁴⁵ <https://latinamericanpost.com/business-and-finance/indigenous-mura-fight-gas-extraction-in-the-amazon-rainforest/>

The Blue Amazon: A Coast at Risk

When the Amazon River meets the ocean, it discharges more water than any other river in the world.¹⁴⁶ Its sediment-laden brown waters flow northward in a massive plume that can be seen hundreds of kilometers into the Atlantic.¹⁴⁷ In 2016, marine scientists discovered a vast coral reef beneath the muddy plume. As coral reefs typically require clear sun-lit water, the existence of one in this low-light, high-sediment zone was an extraordinary find.¹⁴⁸



This is one of the first images taken of the reef at the mouth of the Amazon River. Greenpeace sent a submarine to explore the reef. © Greenpeace

The Great Amazon Reef System stretches 1,000 kilometers from the eastern border of French Guiana to Brazil's Maranhão State, with the largest portion located in the Foz do Amazonas (Mouth of the Amazon) Basin.¹⁴⁹ The reef is a mosaic of sponges, corals, sea fans, towering walls of coralline algae and rhodoliths – rocklike formations of red algae that cluster into giant beds, which not only sustain marine biodiversity, but also function as natural carbon sinks. This unique ecosystem is an essential nursery ground for over 70 species of fish and spiny lobster, sustaining the livelihoods of artisanal fishers all along the Amazon coast.¹⁵⁰

Although only a small percentage of the reef has been studied until today, the Great Amazon Reef System is already in grave danger. Designated oil and gas blocks cover 24% of the reef's

¹⁴⁶ <https://www.nationalgeographic.com/into-the-amazon/where-the-river-parts-the-sea/>

¹⁴⁷ <https://seos-project.eu/oceancurrents/oceancurrents-c05-p03.nl.html>

¹⁴⁸ https://www.researchgate.net/publication/301593169_An_extensive_reef_system_at_the_Amazon_River_mouth

¹⁴⁹ <https://www.sciencealert.com/scientists-just-discovered-a-1-000-km-coral-reef-at-the-mouth-of-the-amazon>

¹⁵⁰ <https://hakaimagazine.com/news/the-amazon-reef-is-alive-growing-and-under-threat-again/>

area.¹⁵¹ The Amazon coast, which includes the Foz do Amazonas, Pará-Maranhão and Barreirinhas basins, is part of the Equatorial Margin. This offshore region stretches all the way from Amapá to Rio Grande do Norte and is considered a strategic oil and gas frontier by the Lula government.¹⁵² The Foz do Amazonas basin alone, is estimated to hold reserves of over 20 billion barrels of oil equivalent.¹⁵³

For the past 12 years, Petrobras has pushed to explore a block named FZA-M-59 in the Foz do Amazonas, located 160 km offshore from the Cabo Orange National Park in Amapá. Brazil's environmental agency, IBAMA, repeatedly refused to issue a license for the project. But in May 2025, after President Lula publicly accused IBAMA of acting as if it were “against the government”, the pressure became too much.¹⁵⁴ IBAMA's head, Rodrigo Agostinho authorized Petrobras's oil spill response plan for the area – despite the objections of 29 of IBAMA's technical experts.¹⁵⁵ This decision not only brings Petrobras closer to securing a drilling license for Block 59; it also paves the way for the exploration of further oil and gas blocks in the region. In Brazil's most recent oil and gas auction in June 2025, 19 new exploration blocks were awarded in the Foz do Amazonas.



The Blue Amazon is also home to melon-headed whales. © Pierre Baelen / Greenpeace

¹⁵¹ <http://monitoroceanico.org>

¹⁵² <https://www.gov.br/mme/pt-br/assuntos/noticias/mme-defende-importancia-da-margem-equatorial-para-impedir-que-brasil-volte-a-ser-importador-de-petroleo>

¹⁵³ https://www.epe.gov.br/sites-pt/publicacoes-dados-abertos/publicacoes/PublicacoesArquivos/publicacao-846/AP-EPE-DPG-SPG_16-2024-Volumetria%20da%20FZA_publica%201.pdf

¹⁵⁴ <https://valorinternational.globo.com/politics/news/2025/02/12/lula-criticizes-ibama-for-delays-backs-oil-exploration-research.ghtml>

¹⁵⁵ <https://sumauma.com/en/direcao-do-ibama-contraria-parecer-de-29-tecnicos-e-abre-caminho-para-perfuracao-na-foz-do-amazonas/>

In Block 59, Petrobras plans to drill at a depth of 2,880 meters¹⁵⁶ – almost twice the depth of BP’s Deepwater Horizon well – in an area with far stronger and more complex ocean currents. Professor Rodrigo Leão de Moura, the lead scientist behind the reef’s discovery, warns: “*This area has one of the strongest currents on the planet and a tidal range that can be greater than 10 meters.*”¹⁵⁷ Under such conditions, an oil spill would be extremely difficult to contain and could rapidly spiral out of control, endangering not only the reef, but also the unique mangrove forests that line the Amazon coast.

These dense forests form a living bridge between terrestrial and marine environments. Like reef-building corals, mangroves are ecosystem engineers.¹⁵⁸ Their stilt-like roots slow the movement of tidal waters and trap huge amounts of sediment, buffering the coastline against erosion and storm surges, and providing a vital line of defense for coastal communities. Their tangled root systems provide habitat to countless animals and serve as a nursery for many threatened species such as the Atlantic goliath grouper and the American manatee.¹⁵⁹ And like reefs, mangroves play a vital role for the maintenance and recovery of fish stocks.

Brazil’s Amazon coast harbors the largest continuous mangrove ecosystem on Earth, stretching almost 14,000 square kilometers across the coastline of Amapá, Pará, and Maranhão states.¹⁶⁰ For generations, Indigenous peoples, Quilombolas and other traditional communities along the coast have relied on these mangroves and safeguarded them.¹⁶¹ Today, large portions of the Amazon Coast’s mangrove forests are protected as extractive reserves for local communities¹⁶² or as wetlands of international importance under the Ramsar Convention.¹⁶³ Yet these protections offer no defense if an oil spill reaches the coast.

As Ricardo Motta Pires, head of the Cabo Orange National Park, explains: „*The terrain is soft mud, which can go up to your knees. The vegetation is siriúba [a type of tree], which breathes through millions of tiny surface tubes. If a slick reaches the coast at high tide, it will travel over a kilometer inland. When it settles, it will be the end of the mangrove. There is no way to clean these tubes, or recover anything.*”¹⁶⁴ When oil enters mangrove ecosystems, there is no viable recovery strategy.

The Great Amazon Reef System and the mangrove forests feed life along Brazil’s Amazon coast. Their health secures the food web that sustains the region’s fisheries and local communities.

¹⁵⁶ <https://site.conpedi.org.br/publicacoes/351f5k20/u1ob8076/2T1532P0v253JQ0h.pdf>

¹⁵⁷ <https://www.bbc.com/news/science-environment-63987165>

¹⁵⁸ <https://ocean.si.edu/ocean-life/plants-algae/mangroves>

¹⁵⁹ <https://www.veritree.com/post/the-mangroves-role-in-the-amazon-ecosystem>

¹⁶⁰ <https://news.mongabay.com/2024/04/brazil-boosts-protection-of-amazon-mangroves-with-new-reserves-in-para-state/>

¹⁶¹ <https://ecologyandsociety.org/vol30/iss2/art26/>

¹⁶² <https://www.mangrovealliance.org/wp-content/uploads/2018/05/Brazil-Mangroves-Atlas.pdf>

¹⁶³ The Cabo Orange National Park, the Amazon Estuary and its Mangroves, the Baixada Maranhense Environmental Protection Area and the Parcel Manoel Luís State Marine Park are protected under the Ramsar Convention.

¹⁶⁴ <https://sumauma.com/en/quando-mare-dobrar-mancha-vai-entrar-petroleo-foz-amazonas/>

More than 420,000 fishers depend on this coastline,¹⁶⁵ which supports a billion-dollar fishing economy.¹⁶⁶ Oil and gas development puts all this at risk. Brazil’s oil regulator, ANP has already awarded 45 exploration blocks along the Amazon coast,¹⁶⁷ with another 248 currently under study.¹⁶⁸ Since 2018, the Brazilian civil society organization ARAYARA, has fought to protect the Amazon coast through legal action, public campaigns, and alliances with coastal communities. *“If drilling goes ahead in this fragile region, the question isn’t whether an oil spill will happen—it’s when,”* warns Nicole Oliveira, ARAYARA’s director.

Since COP 28, Brazil’s federal government has been calling itself a “global leader in the energy transition,”¹⁶⁹ but its Annual Growth Plan tells a different story. Out of the US \$128 billion the government has earmarked for the energy sector,¹⁷⁰ 65% is going to fossil fuels.¹⁷¹ *“We are tired of these contradictions,”* says Oliveira. *“You can’t claim to be transitioning if you are still spending billions on fossil fuels. You can’t claim to be leading if you are trading the future of the Green and Blue Amazon for a few decades of oil.”*

The Rush for Oil and Gas in Guyana and Suriname

Located on South America’s northern coast, Suriname and Guyana are two of the continent’s smallest, poorest and most low-lying countries. 90% of the population in both countries lives on a narrow coastal plain that is – at its lowest elevation - 2 meters below sea level and acutely vulnerable to floods and rising sea levels.¹⁷² Although they are among the countries most threatened by climate change, Guyana and Suriname loom large in the expansion plans of international oil and gas companies.

ExxonMobil in Guyana

Until 2019, Guyana had never exported a single barrel of oil. Today, it is the world’s third-largest per capita oil producer.¹⁷³ This transformation was set in motion by ExxonMobil’s 2015 discovery of a huge oil deposit in the Stabroek Block, 190 km off Guyana’s coast. Since 2015, ExxonMobil has made 34 discoveries in this block, which stretches over 26,800 km² and contains an estimated 11 billion barrels of oil. Together with its partners, Chevron and China National Offshore Oil Company (CNOOC), ExxonMobil currently extracts more than 900,000 barrels of oil

¹⁶⁵ Data analyzed in May 2025, see: <https://www.gov.br/mpa/pt-br/assuntos/cadastro-registro-e-monitoramento/painel-unificado-do-registro-geral-da-atividade-pesqueira>

¹⁶⁶ https://drive.google.com/file/d/1PLI4D_I37mlGHZ4AjCvgsbgBh-0U29p4/view

¹⁶⁷ <http://monitorocean.org>

¹⁶⁸ “Under study” means that these blocks are being analyzed by regulatory agencies for possible future licensing.

¹⁶⁹ <https://www.gov.br/mme/pt-br/assuntos/noticias/201cbrasil-vai-liderar-a-transicao-energetica201d-diz-presidente-lula-na-abertura-da-cop-28>

¹⁷⁰ <https://www.gov.br/casacivil/pt-br/novopac/transicao-e-seguranca-energetica>

¹⁷¹ <https://www.gov.br/casacivil/pt-br/novopac/transicao-e-seguranca-energetica/petroleo-e-gas>

¹⁷² <https://www.moodys.com/web/en/us/insights/resources/an-integrated-approach-to-evaluate-population-exposure-to-inland-and-coastal-flooding.pdf>

¹⁷³ https://corporate.exxonmobil.com/locations/guyana/news-releases/1218_exxonmobil-guyana-marks-five-years-of-oil-production

per day from Stabroek.¹⁷⁴ 4 massive floating production, storage, and offloading (FPSO) vessels are anchored here to pull the oil from extreme ocean depths. By 2027, Exxon’s consortium aims to operate 6 FPSOs in Stabroek, increasing production to 1.3 million barrels per day.¹⁷⁵



Stabroek was the old name of Georgetown, the capital of Guyana. The market area is one of the busiest places in the city. © Tom Vierus

On the heels of ExxonMobil’s discoveries, oil companies from Qatar, Spain, France, the US and Canada rushed to secure exploration blocks in Guyana’s waters. The country’s oil bonanza also drew the attention of neighboring Venezuela, whose government reignited an age-old conflict over the Essequibo region – an area that makes up two-thirds of Guyana’s territory and includes large parts of the Stabroek Block. In March 2024, Venezuela sought to cement its claim by passing a law designating Essequibo as its newest state.¹⁷⁶ The Maduro government soon escalated tensions further, deploying troops and military equipment near the border, and in March 2025, its navy ships approached and threatened Exxon’s FPSO in Guyanese waters.¹⁷⁷

¹⁷⁴ https://corporate.exxonmobil.com/news/news-releases/2025/0808_exxonmobil-guyana-begins-production-at-fourth-offshore-guyana-project

¹⁷⁵ https://corporate.exxonmobil.com/locations/guyana/news-releases/11132024_500-million-barrels-of-oil-produced-from-guyanas-stabroek-block

¹⁷⁶ <https://edition.cnn.com/2025/05/25/americas/venezuela-election-essequibo-guyana-intl-latam>

¹⁷⁷ <https://www.csis.org/analysis/what-significance-venezuelas-naval-incursion-guyana>

Brazil stepped in as a mediator to deescalate tensions between both countries while the International Court of Justice evaluates their claims.

The greatest threat to Guyana's democracy is, however, not at its borders, but within. Since its first oil discoveries, ExxonMobil has amassed extraordinary influence over Guyana's government. As the investigative news outlet The Intercept observes: *"It's hard to distinguish where the oil company ends and the government begins."*¹⁷⁸



The Guianan rainforests are part of the Amazon biome and cover most of Guyana, Suriname, and French Guiana.
© Tom Vieras

Exxon's Gains, Guyana's Losses

A case in point is the production-sharing agreement Guyana's government signed with ExxonMobil and its consortium partners in 2016. When the contract was finally released in 2017, after considerable public pressure, it revealed that the government had agreed to pay the corporate and income taxes owed by the oil companies under Guyanese law. According to an appraisal by the Institute for Energy Economics and Financial Analysis (IEEFA), the entire contract is remarkably one-sided.¹⁷⁹ It allows ExxonMobil and its partners to claim up to 75% of oil revenues to cover their development and operating costs. The remaining 25% – the so-called "profit oil" – is split evenly, leaving Guyana with just 12.5% revenue share. In addition, the oil companies pay a token 2% royalty on sales – a rate that is far below international standards.¹⁸⁰ The deal also guarantees ExxonMobil and its partners compensation if the government takes actions that impair their profits. As Guyana's leading independent daily, Kaieteur News, put it:

¹⁷⁸ <https://theintercept.com/2023/06/18/guyana-exxon-mobil-oil-drilling/>

¹⁷⁹ https://ieefa.org/sites/default/files/2022-05/Summary%20of%202016%20Petroleum%20Agreement%20Between%20Guyana%20and%20ExxonMobil_May%202022_0.pdf

¹⁸⁰ <https://kaieteurnews.com/2025/08/31/oggn-calls-on-citizens-to-weigh-oil-governance-in-the-2025-elections/>

*“Armed with little to no knowledge on the sector, the country settled for what is today described as the world’s worst oil contract.”*¹⁸¹

After Guyana’s 2020 elections, one of the new government’s first moves under President Irfaan Ali was to dismiss Dr. Vincent Adams, the head of Guyana’s Environmental Protection Agency (EPA). Adams – an experienced petroleum engineer who formerly worked for the US Department of Energy – had been pushing for stronger environmental safeguards in the permit negotiations for ExxonMobil’s third oil field in Guyana’s waters. Stabroek News, one of Guyana’s leading newspapers, observed that the new *“administration has effectively decapitated the agency, while it is in the midst of making major decisions on various aspects of the oil and gas industry.”*¹⁸² Adams own resumé is: *“There is no oversight happening because Exxon does not want oversight.”*¹⁸³

Big Oil Comes to Suriname

For the past 4 decades, Suriname only produced small amounts of oil from 3 onshore fields operated by its state-owned oil company Staatsolie.¹⁸⁴ But since the prolific offshore discoveries in the Guyana portion of the Guyana-Suriname basin, big oil companies have also rushed to explore Suriname’s waters. Around half of Suriname’s sea areas have already been licensed to international companies like PetroChina, APA Corporation, Challenger, TotalEnergies, Petronas and Qatar Energy. Staatsolie, which also acts as a regulator for the oil and gas sector in Suriname, recently announced a new offshore licensing round for November 2025.¹⁸⁵

Suriname’s offshore oil and gas reserves are currently estimated at 2.4 billion barrels of oil equivalent.¹⁸⁶ The first companies moving toward production are TotalEnergies and APA Corporation, joint venture partners operating in Block 58, just across the border from Guyana’s Stabroek Block. In 2024, the companies announced a final investment decision of US \$10.5 billion for the development of the GranMorgu oil field in Block 58. The name *GranMorgu* means “New Dawn” or “Goliath Grouper” in Sranan Tongo, the local creole language. The project will produce 220,000 barrels of oil per day and is expected to come online in 2028.¹⁸⁷

Like Guyana, Suriname is betting big on its oil reserves. The country’s economy has struggled since gaining independence in 1975. After defaulting on its foreign debts in 2020 during the height of the coronavirus pandemic, Suriname was forced to seek financial assistance from the

¹⁸¹ <https://kaieteurnewsonline.com/2023/09/20/guyana-was-unprepared-to-negotiate-with-oil-power-house-ami-energy-director/>

¹⁸² <https://www.stabroeknews.com/2020/08/31/opinion/editorial/removal-of-dr-adams-from-epa/>

¹⁸³ <https://theintercept.com/2023/06/18/guyana-exxon-mobil-oil-drilling/>

¹⁸⁴ <https://theenergyyear.com/energy-company/staatsolie/>

¹⁸⁵ <https://oilnow.gy/news/staatsolie-to-launch-offshore-open-door-offering-in-november/>

¹⁸⁶ <https://www.bloomberg.com/news/articles/2024-05-16/suriname-s-oil-resources-seen-totaling-2-4-billion-barrels>

¹⁸⁷ <https://totalenergies.com/company/projects/oil/granmorgu-suriname-oil-project-line-totalenergies-transition-strategy>

IMF and renegotiate with its creditors. Before the country had even signed an agreement with international oil companies, Suriname’s government was forced to commit 30% of its future annual revenues from Block 58 towards repaying private bondholders.¹⁸⁸ Observers suspect that delays by TotalEnergies and APA in confirming their project on Block 58 were an attempt to strongarm Suriname into more favorable contractual conditions.¹⁸⁹ The Surinamese environmentalist Erlan Sleur worries that the contract with TotalEnergies and APA Corporation may have clauses ensuring “*that the oil companies can walk freely in the event of a disaster*”.¹⁹⁰ The details of the “new dawn” remain in the dark as the government refuses to release the full contract and Suriname lacks a Freedom of Information law.



Oil operations are threatening the livelihoods of Suriname’s and Guyana’s fishers. © Tom Vierus

Guyana’s Citizens vs ExxonMobil: Who Bears the Cost of an Oil Spill?

Offshore drilling always carries the risk of catastrophic oil spills, especially when it takes place in ultra deepwater like ExxonMobil’s operations in Guyana. Robert Bea, one of the world’s leading experts on oil industry disasters, reviewed ExxonMobil’s submissions for its first project in Guyana – Liza 1 – and concluded that the company appears to lack the appropriate preparation and planning to head off a deepwater blowout and major oil spill. “*We could have a*

¹⁸⁸ <https://gov.sr/wp-content/uploads/2023/05/Suriname-Cleansing-Statement-Agreement-in-Principle-with-Bondholders-May-3-2023.pdf>

¹⁸⁹ <https://www.cijn.org/oil-secrets-of-suriname-public-largely-in-the-dark-as-offshore-dreams-deferred/>

¹⁹⁰ <https://www.cijn.org/oil-secrets-of-suriname-public-largely-in-the-dark-as-offshore-dreams-deferred/>

problem similar to what we had with BP,” he warns, in reference to the Deepwater Horizon disaster.¹⁹¹ ExxonMobil’s own environmental impact assessment acknowledges that a major spill could reach the coastline of Guyana, Venezuela and the beaches of 14 Caribbean islands,¹⁹² jeopardizing their tourism and fishing industries. To cover the costs of a potential spill, the EPA permits require an independent liability insurance from ExxonMobil’s subsidiary Esso as well as an unlimited financial guarantee from ExxonMobil itself. These requirements were, however, not enforced, leaving Guyana exposed to astronomical costs in the event of a major oil accident.¹⁹³

Concerned about the government’s ability and willingness to defend Guyana’s interests against the world’s biggest private oil company, two Guyanese citizens, Frederick Collins and Godfrey Whyte, turned to the courts. On May 3rd 2023, Guyana’s High Court under Justice Sandil Kisoos ruled that ExxonMobil’s Guyana subsidiary had operated in violation of its permit by failing to provide independent liability insurance and an unlimited financial guarantee from its parent. The court found that *“ESSO Exploration and Production Guyana Limited was engaged in a disingenuous attempt, which was calculated to deceive when it sought to dilute its liabilities.”* According to the court’s 56-page ruling, Guyana’s Environmental Protection Agency had *“descended into a state of slumber”* and acted as a *“derelict, pliant, and submissive”* regulator, *“putting this nation and its people in grave danger of calamitous disaster.”*¹⁹⁴

Guyana’s leading environmental lawyer, Melinda Janki, who represented Collins and Whyte, notes: *“Two ordinary citizens in this little country, which most people can’t find on a map, have gone to court and they’ve beaten the EPA, but they’ve also beaten Exxon Mobil, and this is really a victory for the people, by the people.”*¹⁹⁵ But Janki’s and her clients’ fight is far from over. ExxonMobil and Guyana’s EPA have appealed Justice Kisoos’s ruling, and in the meantime, the Guyanese government has pushed a new bill through Parliament. Despite its name, Guyana’s new *“Oil Pollution Prevention, Preparedness, Response and Responsibility Bill”* shields parent companies from having to cover the costs of an oil spill caused by their subsidiaries.¹⁹⁶ As Christopher Ram, one of Guyana’s most respected anti-corruption advocates writes, this bill *“seems designed to relax the regulatory controls over which Exxon appears to call all the shots.”*¹⁹⁷

¹⁹¹ <https://floodlightnews.org/exxons-oil-drilling-gamble-off-guyana-coast-poses-major-environmental-risk/>

¹⁹² <https://www.oggn.website/wp-content/uploads/2018/01/Volume-I-Liza-Phase-1-EIA-1.pdf>

¹⁹³ <https://ieefa.org/resources/exxonmobil-loses-key-case-guyana-oil-controversy-over-insurance>

¹⁹⁴ https://www.documentcloud.org/documents/23801044-guyana_collins-and-whyte-v-epa-and-esso_3may2023_judgement/ page 2

¹⁹⁵ <https://theintercept.com/2023/06/18/guyana-exxon-mobil-oil-drilling/>

¹⁹⁶ <https://kaieteurnewsonline.com/2025/05/17/govt-passes-law-protecting-parent-companies-from-paying-for-oil-spill/>

¹⁹⁷ <https://www.oggn.org/2025/05/16/undoing-sandil-kisoos/>



An oil spill would destroy the home of the scarlet ibis, living along the coast of Guyana. © Tom Vierus

Petroganda

In advertisements and billboards throughout the country, ExxonMobil urges Guyana’s citizens to “Imagine What is Possible”, presenting itself as a friendly benefactor channeling money to schools, worker’s training programs and healthcare. The company’s most inspired PR move was undoubtedly its partnership with Guyana’s national cricket team – the Amazon Warriors – and its sponsorship of the “ExxonMobil Global Super League”, an international cricket tournament held in Guyana. Videos on ExxonMobil’s social media channels are Petroganda at its best – interspersing scenes from the country’s national cricket stadium with ‘updates’ on its offshore activities.¹⁹⁸

Since ExxonMobil struck first oil in Guyana, it has been promising that oil production “*will foster a brighter future for all Guyanese*” and that “*its benefits will reach every corner of the country.*”¹⁹⁹ But the country’s most ardent cheerleader for oil and gas is Guyana’s President Irfaan Ali. In his 2020 inauguration speech, Ali said: “*We stand at the beginning of a road that could lead us all*

¹⁹⁸ <https://www.instagram.com/reel/Cywnxi8rEg0/>

¹⁹⁹ https://corporate.exxonmobil.com/locations/guyana/news-releases/1218_exxonmobil-guyana-marks-five-years-of-oil-production#:~:text=%E2%80%9CWorking%20alongside%20our%20co%2Dventurers,with%20the%20people%20of%20Guyana.%E2%80%9D

*to a bright and prosperous future – a future that could take us to the famed El Dorado.*²⁰⁰ Although the country’s economy has indeed ballooned over the past 5 years – in 2024 alone, Guyana’s GDP²⁰¹ increased by 43% – the new influx of wealth has dramatically inflated rent and food prices, disproportionately burdening the poor. While only around 6,000 Guyanese workers are employed by the oil industry, most of the country’s households are struggling with an ever-worsening cost-of-living crisis, especially in rural areas.²⁰² Fishing has traditionally been an important economic earner and the number one source of protein in the country, but oil operations have chased fish stocks away from Guyana’s coasts, leaving behind a graveyard of abandoned fishing boats.²⁰³ According to a 2024 report by the Inter-American Development Bank, 58% of Guyanese live in poverty, existing on less than US \$6.85 per day.²⁰⁴



Oil operations have chased fish away from Guyana’s coast. Abandoned fishing boats stay behind. © ARAYARA

Meanwhile, communities in both Guyana and Suriname face existential threats from rising seas, brought to them by the very industry that has promised a brighter future. Studies show that Guyana’s capital, Georgetown, is at high risk of being submerged by coastal flooding within the next decade.²⁰⁵

²⁰⁰ <https://dpi.gov.gy/inauguration-address-of-h-e-dr-irfaan-ali/>

²⁰¹ <https://www.reuters.com/business/energy/oil-output-exports-drove-guyana-economys-growth-436-2024-2025-01-17/>

²⁰² Local news outlet Stabroek News has curated a series titled “How the cost of living is affecting people”, documenting people’s everyday hardships. There are over 120 editions to date:

<https://www.stabroeknews.com/?s=%22how+the+cost+of+living+is+affecting+people%22>

²⁰³ <https://infoamazonia.org/en/2025/04/08/exxonmobil-builds-petro-state-in-guyana-amid-warnings-of-environmental-disaster/>

²⁰⁴ <https://publications.iadb.org/en/ten-findings-about-poverty-latin-america-and-caribbean>

²⁰⁵ <https://climatetracker.org/climate-justice/will-guyanas-capital-city-georgetown-sink-by-2030/>

Before Net-Zero Kicks In

Oil and gas exploration areas now span the entire coast of Guyana and the government is scrambling to monetize the country's hydrocarbon resources before it is too late. As Vice-President Bharrat Jagdeo stated at an oil industry conference in 2023: *"We are in a mad rush to get this done before net-zero comes."*²⁰⁶

The government is also rushing to roll out new infrastructure projects, leveraging the country's oil revenues to build new roads, highways, bridges, airport expansions, a deepwater harbor – even a new "smart city" is in the works. Yet the costliest public sector project of all is Guyana's US \$2 billion Gas-to-Energy project.

Oil extraction usually also brings up gas, which companies frequently burn off, or "flare", as this is cheaper and easier than capturing it. But flaring is extremely harmful as it releases large amounts of carbon dioxide and pollutants like benzene and soot into the atmosphere. Back in 2016, ExxonMobil and its partners pledged that there would be no routine flaring in Guyana, and promised that gas would instead be reinjected into the wells. Accordingly, the original environmental license for ExxonMobil's first production site – Liza 1 – prohibited flaring except during maintenance or emergency scenarios.²⁰⁷ In 2021, after environmentalists reported repeated flaring incidents at Liza 1, the government simply amended the license, allowing the company to flare, but levying a fine of US \$45 per ton of CO₂ released.²⁰⁸ In 2022, the oil giant had to pay flaring fines of around US \$10 million to Guyana's government.²⁰⁹ In the meantime, ExxonMobil has found a better way to solve its flaring headache – one that shifts the costs for the disposal of its excess gas onto Guyana's public coffers.

Money Badly Spent

The Gas-to-Energy project will pipe gas from ExxonMobil's Liza 1 and Liza 2 oil fields to the Wales Estate on the West Bank of the Demerara River. The 225 km long pipeline has already been installed, pre-financed by ExxonMobil and its partners CNOOC and Chevron. At Wales, a natural gas liquids (NGL) processing plant will extract the gas liquids, while the remaining dry gas will be burned in a 300 MW power station. Guyana has taken out a US \$527 million loan from the US Export-Import Bank to finance both the NGL plant and the gas-fired power station,²¹⁰ but is also on the hook for the pipeline costs. To allow the oil companies to recoup their costs for the pipeline, Guyana's government will pay ExxonMobil and its partners US \$55 million annually for

²⁰⁶ <https://egyptoil-gas.com/news/shell-chevron-petrobras-evaluate-guyana-oil-auction/>

²⁰⁷ <https://infoamazonia.org/en/2025/04/08/exxonmobil-builds-petro-state-in-guyana-amid-warnings-of-environmental-disaster/>

²⁰⁸ <https://infoamazonia.org/en/2025/04/08/exxonmobil-builds-petro-state-in-guyana-amid-warnings-of-environmental-disaster/>

²⁰⁹ <https://www.stabroeknews.com/2022/08/04/news/guyana/flaring-fee-paid-by-exxonmobil-is-pittance-compared-to-its-earnings-adams/>

²¹⁰ <https://www.exim.gov/news/export-import-bank-united-states-board-directors-approves-more-526-million-for-guyanese-energy>

the next 20 years.²¹¹ As Melinda Janki says, *“Exxon pays for nothing. This gas deal is abusive and exploitative.”*²¹²

The Gas-to-Energy project also threatens the nation’s water supply. The Wales site sits directly above Guyana’s most important groundwater aquifer which provides 90% of the country’s domestic and commercial water. Guyanese geologist Simone Mangal-Joly describes the approval of such a highly polluting facility at this location as “criminal”, arguing that it defies common sense to believe there won’t be a spill over the lifetime of the project. She explains: *“If you look at the Guyana National Land Use Plan, you will see that Wales is located in the area with the highest risk for flooding due to storm surges and sea level rise by 2031. The Environmental Impact Assessment does not address pollution risks properly, especially in upset conditions. That water has taken millions of years to accumulate, and we will destroy it without a second thought.”*²¹³

Guyana’s electricity system currently relies on heavy fuel oil and diesel, and for many years, both the former government,²¹⁴ and the current administration promised that the country’s oil wealth would be used to accelerate the transition to renewable energy sources. In 2023, the country’s President Irfaan Ali stated, *“Guyana is committed to a clean energy transition. We are aiming for over 80% reliance on renewable energy by 2030.”*²¹⁵ But with its Gas-to-Energy project, Guyana’s government has decided to break its pledges and replace one fossil fuel with another, a step that further deepens the country’s dependency on ExxonMobil and obstructs its transition to clean energy sources.

Tom Sanzillo from IEEFA, undertook an in-depth study of Guyana’s electricity sector, and warns *“the Gas-to-Energy project is an example of money badly spent. It is based on unrealistic assumptions about future electricity sales, incurs unnecessary debt and will result in stranded costs for the government of Guyana.”* IEEFA found that Guyana could provide every home in the country with a solar and battery system for less than the costs of the Gas-to-Energy project. *“Rooftop solar and storage would help Guyana meet its climate and its development goals by providing reliable clean power that is not dependent on Guyana Power & Light’s unstable grid. It would employ local people, help small contracting businesses grow and keep money made in Guyana circulating in Guyana,”* explains Sanzillo.²¹⁶

But Irfaan Ali’s government is not listening. Barely a week after Ali’s re-election in September 2025, the President announced that plans for a second gas-fired power plant and NGL

²¹¹ <https://oilnow.gy/featured/guyanas-gas-to-energy-project-your-questions-answered/>

²¹² <https://kaieteurnewsonline.com/2022/12/17/gas-to-energy-project-moves-from-us900m-to-over-us2b/>

²¹³ <https://www.guyanaoilandgaschange.org/gas-to-energy-project-will-likely-destroy-guyanas-water-supply-geologist/>

²¹⁴ <https://faolex.fao.org/docs/pdf/guy199315.pdf>

²¹⁵ https://gadebate.un.org/sites/default/files/gastatements/78/gy_en.pdf

²¹⁶ <https://ieefa.org/resources/guyana-gas-energy-project-unnecessary-and-financially-unsustainable>

processing plant are moving forward.²¹⁷ As Shalina Nageer, founder of Guyana’s Greenheart Movement surmises, “*Our institutions have been captured by foreign interests.*”²¹⁸

Chapter 3: Oil & Gas Infrastructure Expansion

New oil and gas infrastructure projects such as pipelines, refineries, liquefied natural gas (LNG) terminals and gas-fired power plants require massive upfront investment and have long operational lifetimes. Once in place, they exert powerful carbon lock-in effects that are difficult to reverse. Refineries are designed for continuous operation and lock in upstream crude oil extraction for the next 30–50 years.²¹⁹ Pipelines like Argentina’s planned US \$3 billion Vaca Muerta Oil Sur project must be filled to recoup their costs. New gas-fired power plants lock in high-carbon emissions for the next 30 years.

Most new fossil fuel infrastructure projects create the need for yet more fossil fuel infrastructure. A gas-fired power complex or LNG export terminal requires a pipeline to supply the gas. Once a pipeline is built, pipeline extension projects often follow, which in turn trigger plans for additional gas-fired power plants or LNG export terminals, which likely require additional gas pipeline capacity, and so on. The result is a self-perpetuating system that locks societies deeper into fossil fuel dependence, and hinders the adoption of cleaner, greener and cheaper alternatives.

The LNG Build-Out in Latin America and the Caribbean

The Wall Street Journal once described Cornell Professor Robert Howarth as “*the climate scientist fossil fuel companies can’t stand.*”²²⁰ With good reason: his research undermines years of efforts by companies like Shell, TotalEnergies, Eni, and ExxonMobil to brand LNG as a “lower-emissions fuel.”²²¹ In October 2024, Howarth published a seminal peer-reviewed study showing that LNG produced from shale gas has the highest greenhouse gas (GHG) footprint of any fossil fuel.²²² Over a 20-year timeframe, its GHG footprint is one-third higher than domestic coal, and over 100 years, it is either on par with coal or exceeds it.

To produce LNG, fossil gas is transported to a liquefaction plant, purified, and then super-cooled to around -162°C. The resulting liquid occupies only 1/600th of the gas’ original volume and is

²¹⁷ <https://www.facebook.com/presidentirfaanaligy/posts/president-irfaan-ali-met-this-morning-with-head-of-the-gas-to-energy-gte-task-fo/1327860582040826/>

²¹⁸ <https://infoamazonia.org/en/2025/04/08/exxonmobil-builds-petro-state-in-guyana-amid-warnings-of-environmental-disaster/>

²¹⁹ <https://www.krungsri.com/en/research/industry/industry-outlook/energy-utilities/refinery/io/industry-outlook-refinery-2025-2027>

²²⁰ <https://www.wsj.com/finance/commodities-futures/robert-howarth-cornell-climate-liquified-natural-gas-2a75fb98>

²²¹ <https://totalenergies.com/company/ambition/multi-energy-offer/natural-gaz>

²²² <https://scijournals.onlinelibrary.wiley.com/doi/10.1002/ese3.1934>

piped into specialized tankers, shipped overseas and re-gasified at an LNG import terminal. The entire process is extremely energy-intensive and invariably involves some leakage of methane, so that approximately half of LNG’s total greenhouse gas emissions are released before it even reaches a power plant. As Howarth comments, “LNG is just an expensive, energy-intensive, polluting way of moving gas across oceans. It’s not the way forward for any sensible energy plan.”²²³

LNG Import Terminals

13 new LNG import terminals are on the drawing board or under construction in Latin America and the Caribbean. If completed, they would add 35.7 million tons per annum (Mtpa) to the region’s LNG import capacity, a 57% increase over current levels. This growth, however, is highly concentrated: 3 countries account for 96% of the planned expansion, with Brazil alone responsible for 72%.

Country	Import capacity (Mtpa)	%
Brazil	25.8	72%
Colombia	5.5	16%
Nicaragua	3.0	8%

The majority of firms behind new LNG import terminals come from within the region. The 5 largest LNG import developers in Latin America are all Brazilian companies.

Parent Company	HQ Country	Import capacity (Mtpa)
Porto Norte Fluminense SA	Brazil	5.6
Lyon Capital Gestão de Recursos SA	Brazil	5.4
Aruanã Energia SA (OnCorp)	Brazil	3.8
Polimix Concreto Ltda	Brazil	3.8
Eneva SA	Brazil	3.0

²²³ <https://insideclimatenews.org/news/04012025/carbon-footprint-of-lng-exports/>

The 2 largest LNG terminals planned in Latin America are Brazil’s Porto Norte Fluminense and Tepor Macaé projects, each with a regasification capacity of 5.63 Mtpa. The US \$1.4 billion Porto Norte Fluminense terminal would supply two proposed 1.7 GW gas-fired power plants in São Francisco de Itabapoana, about 320 km northeast of Rio de Janeiro. The Tepor Macaé project, planned by Eneva and Grupo Vale Azul Participações, is located 190 km northeast of Rio de Janeiro and designed to supply a still-to-be-built complex of large gas-fired power plants.

The planned increase of LNG-dependent power plants is supposed to offset shortfalls in Brazil’s hydropower production.²²⁴ But as Nicole Oliveira, director of ARAYARA, points out: *“This is an extremely short-sighted solution, as fossil-fuel-driven climate change is the cause of the droughts and heat waves that are impairing our hydroelectric power systems.”* Over the past 5 years, Brazil has already more than doubled its LNG import capacity,²²⁵ and is currently the country with the 5th largest LNG import expansion plans worldwide. The source of most of Brazil’s LNG imports is fracking gas from the US, which accounted for 79% of the country’s LNG imports in 2023.²²⁶

LNG Export Terminals

In Latin America and the Caribbean, LNG exports come from just 3 countries – Trinidad and Tobago, Peru, and Mexico. Total liquefaction capacity in the region is currently 20.7 Mtpa, out of which the twin island state Trinidad and Tobago holds 15 Mtpa.

A wave of new LNG export infrastructure is now on the horizon. All in all, 19 new LNG export terminals are proposed or under development in Latin America and the Caribbean. If completed, these projects would add more than 97 Mtpa, boosting the region’s liquefaction capacity by 470%. Three countries account for this boom in LNG export infrastructure: Mexico, Argentina, and Suriname.

Countries	Export capacity (Mtpa)	%
Mexico	66.7	68%
Argentina	28.0	29%
Suriname	2.7	3%

²²⁴ <https://energynews.pro/en/brazil-increases-lng-purchases-to-offset-hydroelectric-decline/>

²²⁵ <https://globalenergymonitor.org/report/lng-2024-latin-america-and-the-caribbean-edition/>

²²⁶ <https://www.trade.gov/country-commercial-guides/brazil-oil-and-gas#:~:text=The%20United%20States%20was%20the,79%25%20of%20the%20total%20imports.>

Unlike LNG import terminal expansion in the region, which is primarily driven by domestic companies, the growth of LNG export terminal infrastructure is dominated by foreign companies. US companies are particularly prominent as they account for almost 56% of the planned new liquefaction capacity.

HQ Country	Sum of export capacity (Mtpa)	%
USA	54.2	56%
Argentina	14.1	15%
Singapore	7.5	8%
United Kingdom	6.8	7%
Italy	6.0	6%
Mexico	5.3	5%

Sponsors of Planned LNG Export Terminals:

Parent Company	HQ Country	Export capacity (Mtpa)
Mexico Pacific Holdings LP	USA	30.0
Sempra Energy	USA	13.1
YPF SA	Argentina	12.5
LNG Alliance Pte Ltd	Singapore	7.5
Eni SpA	Italy	6.0
Shell plc	United Kingdom	5.0
Gato Negro Manzanillo SAPI de CV	Mexico	5.0
New Fortress Energy Inc	USA	4.2
KKR & Co Inc	USA	3.7
Mad Energy LP	USA	1.4
Phoenix Development Holding Company LLC	USA	1.4
China National Offshore Oil Corporation	China	1.2
Pampa Energía SA	Argentina	1.2
BP plc	United Kingdom	0.9
Harbour Energy plc	United Kingdom	0.9
Golar LNG Ltd	Bermuda	0.6
TotalEnergies SE	France	0.5
Bridas Energy Holdings Ltd	Argentina	0.4
Abu Dhabi Investment Authority	UAE	0.4

Mexico accounts for 68% of the new LNG export terminal capacity planned in Latin America and the Caribbean, and is — after the US and Russia — the country with the third-largest LNG export expansion plans worldwide. The story of Mexican LNG, however, begins in the Permian Basin, the US’ largest fracking region.



The Permian Basin is the largest fracking region in the US. Tens of thousands of production wells are reaching deep into the ground. © “Encana Energy Oil Fields“ by formulanone, CC BY-SA 2.0

Stretching across west Texas and southeastern New Mexico, the Permian accounts for nearly half of the United States’ crude oil output. While the Basin also produces vast amounts of fossil gas, this is mostly “associated gas” — a byproduct of crude oil drilling. With aging of the oil wells, the amount of associated gas steadily increases. While oil production in the Permian rose six-fold over the past decade, its gas output saw an eight-fold increase.²²⁷ Energy analysts point out that the Basin’s prolific growth is outpacing gas takeaway infrastructure²²⁸ and warn that “if the gas produced in the play can’t be transported to market, crude production may need to be curtailed.”²²⁹ But the US fracking industry is hoping for help from across the border.

²²⁷ <https://www.eia.gov/todayinenergy/detail.php?id=63584>

²²⁸ <https://www.enverus.com/newsroom/the-permians-black-box-of-natural-gas-pipelines/>

²²⁹ <https://rbenenergy.com/from-a-permian-well-they-cried-more-more-more-gas-takeaway-constraints-pose-challenge-for-crude>

Mexico is already the biggest importer of fossil gas from the US. Most of the imported gas is used to feed the 96 gas-fired power plants, which produce 60% of the country’s electricity.²³⁰ To date, Mexico has only one LNG export terminal – the Altamira Fast LNG with a liquefaction capacity of 1.4 Mtpa – built by New Fortress Energy.²³¹ The massive LNG build-out plans of companies like Sempra Energy, Mexico Pacific, New Fortress Energy and LNG Alliance would ramp up the country’s LNG production to over 68 Mtpa, effectively turning Mexico into an export platform for US fracking gas. As Christopher Lenton from Natural Gas Intelligence puts it, “*Mexico is emerging as a potential release valve for unrelenting Permian natural gas production.*”²³²

But Mexican civil society is fighting back. In the center of the protests is the country’s largest LNG project, the Saguario export terminal, which is planned in the Gulf of California. In Argentina, the country with the second-largest LNG expansion plans in Latin America, protesters are defending the San Matías Gulf. In both countries, citizens are fighting for beautiful and intact marine ecosystems that are home to the world’s largest mammals: Whales.

Case Study: Whales, Not Gas: Defending the Gulf of California



From elementary to high school, students highlighted in the BallenaFest in the Zocalo of Mexico City the value of caring for our common home. © Nico Manzano / Conexiones Climáticas

²³⁰ <https://www.economist.com/the-americas/2025/09/04/mexico-fears-the-united-states-will-stop-the-flow-of-natural-gas>

²³¹ https://www.gem.wiki/New_Fortress_Altamira_LNG_Terminal

²³² <https://naturalgasintel.com/news/mexico-emerging-as-potential-release-valve-for-unrelenting-permian-natural-gas-production/>

Last May, children hand-delivered some very unusual mail to Mexico’s government officials: handwritten letters on torn notebook pages, colored carefully with pencil and crayon. Each word was written with grave urgency. “We want whales, not misery,” one message read. Another said, “An ocean without whales is an ocean without soul”. These messages came from school children who decided to speak up for their friends in the ocean.

Resident and migratory marine mammals — including blue whales, grey whales, fin whales, humpback whales, and sperm whales — swim in Mexico’s Gulf of California. The Gulf serves as their nursery, where they give birth and raise their young. The French oceanographer Jacques Cousteau once called it “the Aquarium of the World,” a name locals still use today. Its crystal-clear waters shelter around 900 fish species and 39% of the world’s marine mammals — a level of biodiversity found in very few places on Earth.



The Gulf of California is the nursery of humpback whales. © Leonardo Garibay / Conexiones Climáticas

Local communities depend on this richness. Small-scale fishers rely on its calm waters and abundant marine life to make a living, while tour guides offer unforgettable whale-watching experiences. The Gulf supports both nature and livelihoods.

But as the children’s letters warn, this balance is under threat. The Gulf’s pristine ecosystem may be sacrificed for gigantic ships and industrial terminals built to export gas to Asia. This gas does not even come from Mexico. It travels more than 1,000 km from the Permian Basin in Texas, a region notorious for dirty fracked gas. A planned pipeline would cut through Texas and 16 Mexican municipalities, ending at the proposed Saguaro LNG terminal in Puerto Libertad.²³³ If

²³³ <https://mexicopacific.com/es/sierra-madre-pipeline/> and https://www.gem.wiki/Saguaro_Connector_Pipeline

built, Saguaro would be the largest gas project in the Gulf of California and one of the biggest LNG terminals in the world.

The first 3 LNG trains would handle 15 Mtpa, with 3 additional trains planned. The Saguaro project's full annual emissions would be around 73 million tons of CO₂ equivalent.²³⁴ This equals the combined annual emissions of Ecuador, Bolivia, and Uruguay.²³⁵ These emissions would worsen the climate crisis and pollute the air local communities breathe. Part of the gas is burnt for the liquefaction process, releasing nitrogen oxides, sulfur dioxide, toxic compounds, and fine particles into the atmosphere.

But the journey of fracked gas does not end at Saguaro. After liquefaction, it would be loaded onto enormous tankers headed for ports in Asia. Each LNG vessel stretches the length of 3 football fields. These ships would travel in and out of the Gulf of California for decades, bringing contaminated ballast water and destruction in and transporting fossil gas out. This traffic will disturb and pollute the calm waters that fishers and whales depend on. For a blue whale — the largest animal on Earth — an LNG tanker is 12 times its size, and a collision can be deadly. The underwater noise from LNG ships is also a serious threat, as whales rely on sound to communicate, navigate, and find food.

Who Is Behind Saguaro LNG?

The Saguaro project has been in the works for years. Its sponsor, Mexico Pacific Limited, has been trying to secure customers since 2017, but it took 5 years before the first LNG sales agreements were signed. The company's journey has been anything but smooth. Since 2019, Mexico Pacific has changed ownership 5 times, passing between private equity firms and obscure entities registered at strip malls in Texas and Delaware. In just 7 years, the company has also burned through 6 chief executives.²³⁶

The chaos goes deeper than just leadership changes. Mexico Pacific made a glaring error in its original permit application: it failed to request enough gas to power its own liquefaction equipment and pipeline compressors. That oversight has yet to be corrected. The company has laid off staff, closed its Houston offices, and moved its headquarters to Mexico City. After nearly 8 years of development and over US \$300 million spent, Mexico Pacific has still not secured the US \$15 billion needed to build Saguaro.

Further south along the Gulf, additional LNG export projects are being promoted. In Guaymas, Sonora, LNG Alliance Pte Ltd has secured some buyers and contracts for the AMIGO LNG

²³⁴ Iniciativa Climática de México: "Análisis de emisiones de GEI de ciclo de vida del proyecto de exportación de GNL, Saguaro Energía", p. 6 - <https://www.iniciativaclimatica.org/analisis-de-emisiones-de-gei-de-ciclo-de-vida-del-proyecto-de-exportacion-de-gnl-saguaro-energia/>

²³⁵ <https://ourworldindata.org/co2/country/peru?country=BOL~ECU~URY>

²³⁶ <https://ieefa.org/resources/mexico-pacific-limited-delays-turmoil-and-permitting-errors-have-stymied-mexicos-largest>

terminal. Although it has yet to begin an environmental assessment, its supply pipeline is already in place. In Topolobampo, Sinaloa, the Vista Pacífico terminal is under environmental review, backed by Sempra Infrastructure, CF Energía, and TotalEnergies. Together, these 2 terminals would add another 11 Mtpa of gas export capacity to an already fragile ecosystem.

All 3 terminals — Saguario, AMIGO, and Vista Pacífico — still await their final investment decisions. The Gulf of California can still be saved from a turn towards destruction.



Two local artists, Elti and Karla Antuna, created a mural in La Paz. © Conexiones Climáticas

Communities Fight for Their Future

More than 40 organizations have joined the “Whales or gas?” campaign, and are working tirelessly to stop the LNG buildout. They organize conferences, fairs, rallies, mural painting and “drink and draw” events to engage local communities. Their campaign includes tourism operators, particularly whale-watching companies, but also any local business from across Mexico that wishes to participate. Shops and services display printed materials and invite customers to sign the petition.



“Ballenas o Gas” is a very creative campaign where anyone can take part. © Nico Manzano / Conexiones Climáticas

The pressure has reached the federal government. In response, the Security, Energy, and Environment Agency (ASEA) confirmed that the Saguaro LNG terminal faces 5 ongoing legal challenges. These have temporarily halted construction. President Claudia Sheinbaum has stated that the Ministry of the Environment must now review the project.

Although Mexico Pacific claims it is nearing a final investment decision, the Saguaro terminal has not yet secured the US \$15 billion investment needed to proceed. Media outlets continue to highlight the project’s risks. More than 300,000 people have signed the petition demanding its cancellation, and hundreds of schoolchildren across Mexico have sent drawings to speak out for the whales.

Momentum is growing as more and more citizens are raising their voices to protect the Gulf. Because when whales go quiet, the ocean does too.



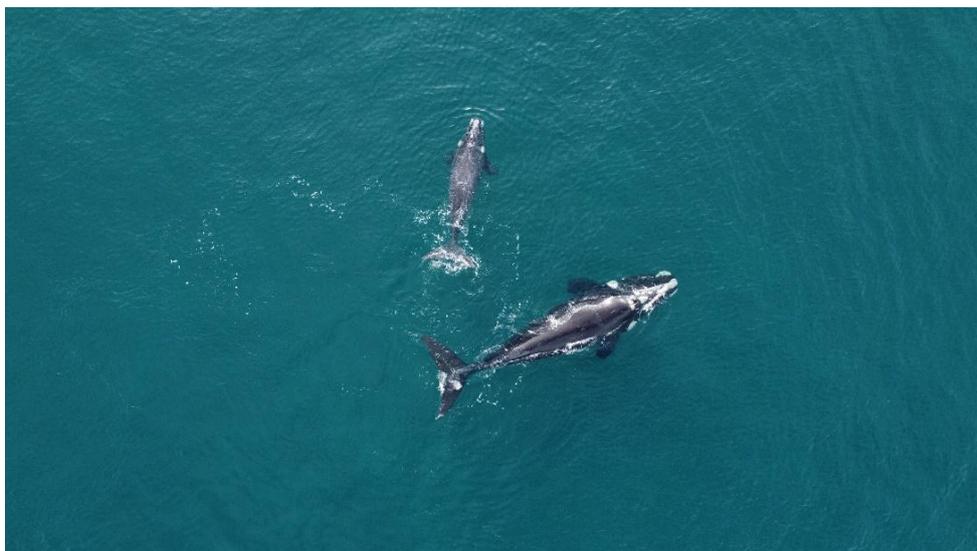
*The campaign has brought together hundreds of thousands of people and more than 40 organizations from across the country.
© Nico Manzano / Conexiones Climáticas*

Case Study: The San Matías Gulf in Argentina: Turning a National Treasure into a Sacrifice Zone

Every year, southern right whales come to the calm waters of the San Matías Gulf and the Valdés Peninsula in northern Patagonia to breed and raise their calves, breaching just meters from the shore. Bottlenose dolphins glide near the surface, and Magellanic penguins gather in noisy colonies along the beaches. Beneath the waves, the Patagonian seahorse—a species found nowhere else in the world—clings to seaweed in the shifting currents. This breathtaking natural display attracts tourists from across the globe, supporting a thriving whale-watching industry that provides prosperity to local communities. In this corner of Patagonia, a rare balance has been achieved: economic activity based on respect for nature, which not only sustains livelihoods, but also fills the region’s inhabitants with pride.

Today, these areas are threatened by offshore hydrocarbon exploitation projects. In these places, where communities have a special connection with their environment and maintain a lifestyle in harmony with nature, large companies see a site for strategic infrastructure. Until August 2022, the San Matías Gulf area was protected from fossil infrastructure projects by the Río Negro Provincial Law 3308, a civic achievement from 1999. Although the law was repealed in September 2022, the process has been challenged by the local population and civil society organizations. The amendment was passed hastily, without any public information session or consultation with experts, and without legislators hearing the communities who came to express their opposition. *“Law 3308 protected us from the advance of oil over the gulf, and its modification has put us in danger,”* says Cecilia Salcedo, a teacher from Las Grutas, a coastal town on the San Matías Gulf. *“Putting this place at risk is a crime and we are going to do everything in our power to prevent this from happening.”*

Currently, at least 3 projects have been announced with different levels of progress. The installation of industrial-scale hydrocarbon infrastructure in the San Matías Gulf poses serious risks to local economies, built around pristine coasts and the biodiversity that sustains it. Las Grutas draws hundreds of thousands of visitors each year and its economy depends on tourism. Communities of *Las Grutas* grouped in the “Multisectorial del Golfo San Matías” and the Assembly for Land and Water warn: *“Hydrocarbon spills could affect protected areas and species such as whales, sea lions, porpoises, and dolphins. Furthermore, the gas will be cooled with seawater, which will be discharged back into the Gulf at temperatures up to 7°C higher, altering the marine ecosystem.”*²³⁷

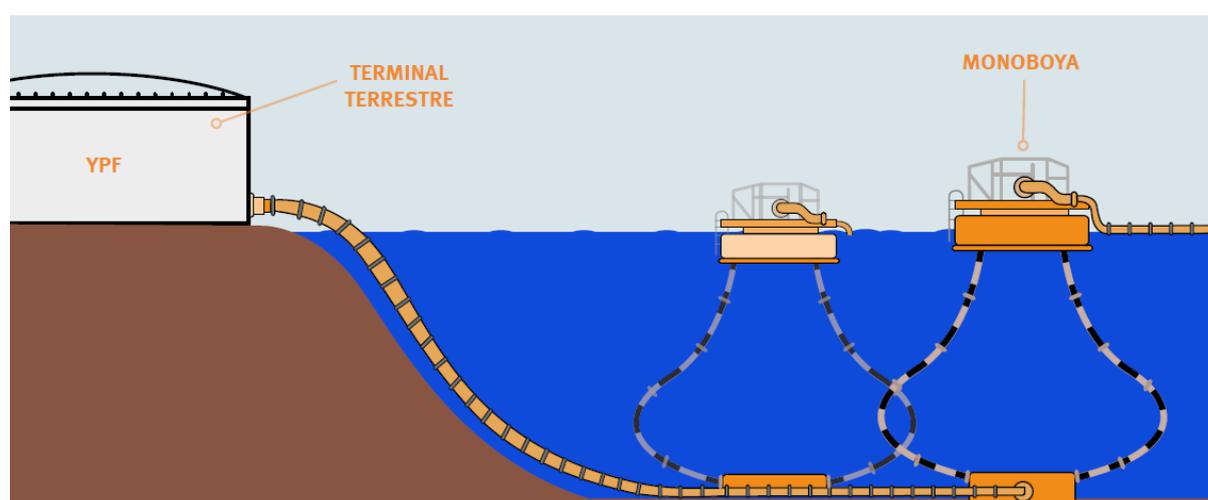


The northern Patagonian gulfs are an ideal habitat for southern right whales. The shallow coastal waters protect their young from strong waves. © Luciano Cutrera

²³⁷ <https://www.lenergygroup.com/golfo-san-matias-advierten-por-el-impacto-ambiental-y-senalaron-que-la-creacion-de-fuentes-de-trabajo-es-una-fantasia/>

Projects Threatening the San Matías Gulf

The **Vaca Muerta Oil Sur Pipeline (VMOS)** is a proposed, 437-kilometer pipeline that would connect the huge fracking fields of Vaca Muerta to the San Matías Gulf.²³⁸ The project also requires the construction of a new port terminal with 2 monobuoys that pose significant spill risks.²³⁹ It is led by the state-owned Argentinian company YPF, in partnership with several national and international companies, including Pan American Energy (PAE)²⁴⁰, BP, CNOOC, Vista Energy, Pampa Energía, Pluspetrol, Chevron, and Shell. The public hearing to authorize the construction of the port was limited to residents of the Province Río Negro, although the environmental impacts would extend to the coastlines of Buenos Aires, Chubut, and Santa Cruz. Project supporters also blocked registered participants with opposing views, including Indigenous communities, from entering the hearing.²⁴¹



The second project under development is the **Southern Energy project**, which consists of 2 floating liquefied natural gas (FLNG) vessels near the resort town of Las Grutas. It is led by Pan American Energy and the Norwegian company Golar, with YPF, Pampa Energía, and Britain's Harbour Energy. The first vessel – *Hilli Episeyo* – is expected to start operating in 2027, with a capacity of 11.5 million cubic meters of gas per day. This ship is already 50 years old and was converted into an LNG vessel in 2017.²⁴² The gas supply for *Hilli Episeyo* would come through the existing San Martín pipeline with gas from the Austral Basin in southern Argentina.

The other vessel, MKII, is owned by Golar and is expected to arrive in 2028. It is currently being converted into an FLNG vessel in a Chinese shipyard. This would bring the project's total

²³⁸ <https://novedades.ypf.com/ypf-y-la-industria-busca-generar-1500-millones.html>

²³⁹ An analysis with spill modeling linked to this project can be found in a document prepared by WCS Argentina for the Patagonian Sea Conservation Forum here <https://marpatagonico.org/wp-content/uploads/Modelacion-Trayectorias-de-Hidrocarburos-en-Golfo-San-Matias-FORO-Mar-Patagonico-julio-2025.pdf>

²⁴⁰ Pan American Energy is a joint venture between BP, CNOOC, and the Bulgheroni family from Argentina

²⁴¹ Testimonies and videos can be found in this news coverage https://www.eldiarioar.com/politica/vaca-muerta-sur-tension-voces-favor-cuestionada-audiencia-publica_1_10451608.html

²⁴² <https://www.golarlng.com/fleet.aspx>

liquefaction capacity to 27 million cubic meters per day. MKII would require the construction of another dedicated pipeline to receive fracked gas from Vaca Muerta.²⁴³

The environmental assessment for the Southern Energy project only considered the potential impacts of a single vessel, the *Hilli Episeyo*. According to Cristian Fernández, an environmental law expert and legal coordinator at FARN who participated in the hearing, the study ignored the cumulative impacts of this project alongside others in the region, as well as its interaction with existing economic activities like tourism and fishing. He emphasized that proper strategic environmental assessment standards were not applied, an omission that violates Argentina's commitments under international agreements like the Escazú Agreement. A joint statement from the Las Grutas Land and Water Assembly, the San Matías Gulf Multisectoral Association, and the Southern Oil Observatory warns of the socio-environmental impacts and economic risks of the LNG venture.

The 3rd project that threatens the Gulf is **Argentina LNG**. Initially, Río Negro and Buenos Aires provinces competed for the project with tax incentives. YPF presents the Southern Energy Project as "Stage I" of Argentina LNG, which envisions the installation of up to 6 FLNG vessels by 2030. This expansion would be carried out in partnership with Shell and Eni.

These Gulf projects follow the path set in 2013, when YPF signed a deal with Chevron to develop Vaca Muerta in Patagonia, the world's 2nd largest shale gas reserve and 4th largest shale oil reserve. This vast hydrocarbon formation can only be exploited through fracking, and up to 1,700 wells are fracked every month in the region.²⁴⁴ Vaca Muerta has often been described as Argentina's new "El Dorado". The promise of development fostered a tacit pact: "*This is our chance to grow, no matter what.*" Since then, companies such as Shell, TotalEnergies, Norway's

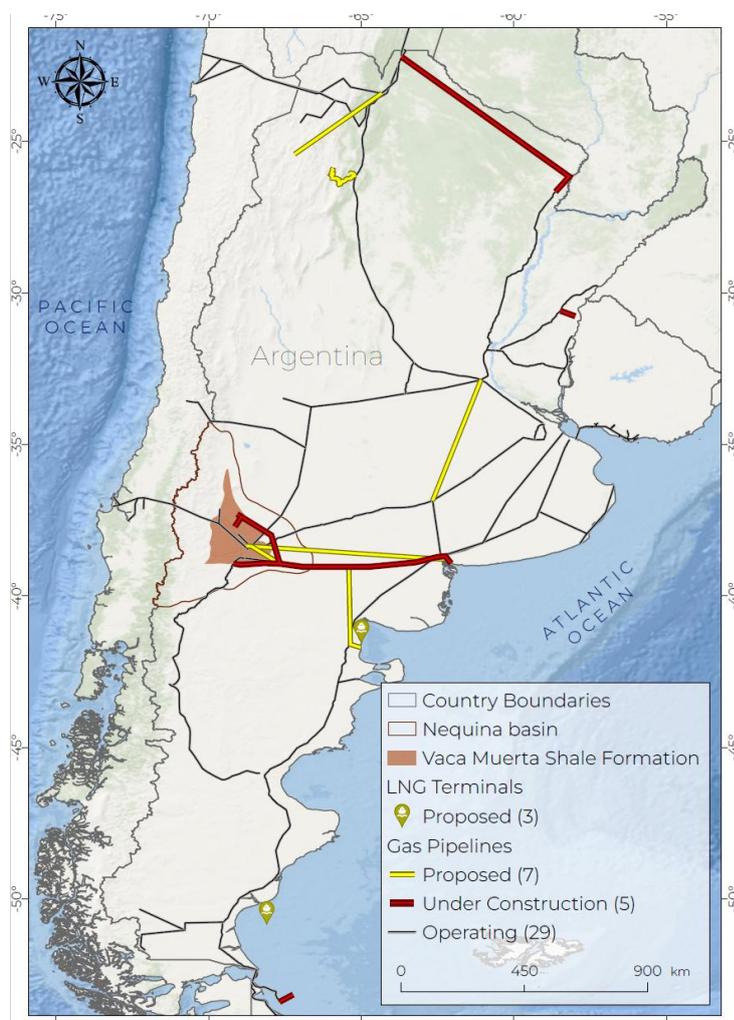
The Impacts of Fracking

In fracking, a mixture of water, sand and chemicals are injected under high pressure deep underground to fracture shale rock and release the gas and oil trapped in it. Fracking releases large amounts of methane, a greenhouse gas that is significantly more potent than CO₂ in the short-term.¹ And fracking consumes gigantic amounts of water – a single well can use up to 60 million liters of water.¹ Studies have also confirmed a wide range of health impacts associated with fracking, especially for children. These include premature births, increased incidence of major birth defects, a two-to-three-fold increase in leukemia in young children living near a fracking well as well as heart failure, asthma and other respiratory illnesses among patients of all ages.¹

²⁴³ At the time of writing, a public hearing was convened on September 16, 2025, to authorize the inclusion of a second ship in the project. Paradoxically, work to adapt the ship began before the consultation even took place. This reflects the state of Argentina's democracy, where such hearings are treated as a mere formality – an administrative step long after decisions were taken – rather than a genuine exercise in public participation.

²⁴⁴ <https://econojournal.com.ar/2024/09/mejora-eficiencia-operativa-stock-pozos-ducs-vaca-muerta-perforacion/>

Equinor, Germany’s Wintershall Dea, the Spanish Tecpetrol, as well as Vista Energy, Pampa Energía, and Pan American Energy have joined in.



State Ownership and the Push for Fracking

YPF is 51% owned by the Argentinian government and ranks 6th among Latin America’s oil and gas producers. All of YPF’s upstream expansion plans rely on fracking. Over the past century, and with heavy financing from the Argentine state, the company has cultivated a powerful brand that links fossil fuel extraction to development, sovereignty, and even hope. In Patagonia, entire towns have grown symbiotically with the company. YPF builds schools, funds scholarships, supports local festivals, and offers the promise of a future — as long as it runs on fossil hydrocarbons. Its marketing stretches far beyond television ads with heroic music and sunsets over pumpjacks. The company sponsors national sports, including Argentina’s World Cup-winning football team, with Messi himself wearing the logo. Across media and social networks, the flow of sponsorship money not only sustains the business — it shapes the national narrative and helps pave the way for continued expansion.

Domestic banks and financial institutions amplify this by offering the public multiple investment opportunities in the shares or bonds of YPF and further fossil fuel companies. Recurring economic crises and a lack of trust in the local currency push people toward these investments, which banks present as “safe” options with attractive returns.

For more than a decade, companies operating in Vaca Muerta have enjoyed substantial tax, customs, and exchange benefits — costs ultimately carried by the Argentine population as external debt. The companies, together with the national government, present fossil fuel exports from Vaca Muerta and other areas such as the Austral Basin as the country’s economic salvation and continue pushing for new infrastructure that will lock Argentina into fossil fuels long after 2050.

The people of the Gulf question these alleged economic benefits for their region. They point out that the risk of job losses outweighs any promises of employment: “The [LNG] ship will operate with a foreign crew of 160 people. Indirect job creation is uncertain and offers no guarantee of significant benefit to the local economy.” In addition, they emphasize that the project benefits from tax exemptions and will not generate fiscal revenue for the country.

How Are the Projects Being Financed So Far?

Hydrocarbon companies in Vaca Muerta receive financing from national and international banks, including Banco de la Nación Argentina, Galicia, Macro, BBVA, Banco Santander, and Citibank. Several of these institutions provide financing to companies involved in the San Matías Gulf projects.

A shift toward bond issuances is also evident, with YPF and PAE recently completing several issuances. Key international bond placement agents include JPMorgan Chase, Citigroup, and Banco Santander, while Santander, Galicia, and Macro lead in the local market.

Among the infrastructure projects, only the US \$3 billion Vaca Muerta Oil Sur Pipeline has disclosed concrete financing details. The companies announced a preliminary agreement with a consortium of five banks, including JPMorgan Chase, Citigroup, Deutsche Bank, Itaú Unibanco Holding, and Banco Santander for a syndicated loan of US \$2 billion. The remaining US \$1 billion will be covered by the companies’ own financial resources.²⁴⁵

Civil Society Resistance

Various legal, artistic, and grassroots initiatives have emerged to prevent these projects. Social movements have launched the "Golfo Azul para Siempre" campaign to hold financial actors accountable. The campaign has already achieved some important successes: the International

²⁴⁵ <https://chambers.com/articles/vaca-muerta-sur-pipeline-project-usd-2-billion-syndicated-loan>

Finance Corporation, the private arm of the World Bank Group,²⁴⁶ IDB Invest of the Inter-American Development Bank,²⁴⁷ and several private banks have all committed in writing not to finance projects in the San Matías Gulf.

Fabrizio Di Giacomo, from Las Grutas in Río Negro Province, is a spokesperson for “Multisectorial del Golfo San Matías”. He says: “For us coastal communities, these projects are nothing new. We know the life we want and we have always stood up for the sea, which belongs to everyone. Just as our grandparents and parents won a law to protect the San Matías Gulf more than 25 years ago, we will keep organizing and defending our territory peacefully, against the violence that extractivism brings.”

You can add your voice to the Golfo Azul para Siempre campaign here:

golfoazulparasiempre.org/suma-tu-voz/



Blue Gulf Forever! Protesters at the public hearing for the third stage of the VMOS project in Sierra Grande, Río Negro, on August 17, 2023, after pro-project attendees blocked the entry of opponents. © Luciano Cutrera

²⁴⁶ https://drive.google.com/file/d/10ecY6plGXi_7YhWirXBsoH3uG7ohMMzi/view

²⁴⁷ <https://drive.google.com/file/d/1ety4k0y7wjij0z31R4XNR2mKPMsMlc/view>

New Oil & Gas Pipelines in Latin America & the Caribbean

Pipelines are essential enablers of fossil fuel expansion. More than 8,800 km of new oil and gas pipelines are planned across Latin America — enough to stretch from Havana, Cuba, to the southern tip of Chile. This continental buildout is driven by 5 countries: Brazil, Mexico, Argentina, Peru, and Colombia. Almost all of the projects are designed to transport gas, with 2 exceptions in Argentina — the Vaca Muerta Oleoducto Sur Pipeline and the Oldelval Duplicar Norte Pipeline.

Pipeline Kilometers Planned by Country

Country	Sum of pipeline length (km)	% of total pipeline length
Brazil	3,703	42%
Mexico	2,126	24%
Argentina	1,995	23%
Peru	923	10%
Colombia	61	1%

Companies Planning the Most Pipeline Kilometers in Latin America & the Caribbean

Company	HQ Country	Pipeline length (km)	Projects in
CS Energia SA	Brazil	893	Brazil
Mexico Pacific Holdings LP	USA	800	Mexico
Cosan SA	Brazil	515	Brazil
YPF SA	Argentina	475	Argentina
Petroleo Brasileiro SA – Petrobras	Brazil	474	Brazil

Canada Pension Plan Investment Board	Canada	460	Peru
Eneva SA	Brazil	430	Brazil
Grupo Carso SAB de CV	Mexico	416	Mexico
Engie SA	France	350	Mexico
Macquarie Group Ltd	Australia	350	Mexico

Waking a Sleeping Giant

The Vaca Muerta shale reserves stretch across 30,000 km² of the Neuquén Basin in northwestern Patagonia. Often described as “Argentina’s Permian,” the formation is estimated to contain 16 billion barrels of shale oil and 8.7 trillion cubic meters of shale gas.²⁴⁸ In 2024, companies extracted 442,000 barrels of oil per day from the basin, but their ambitions are far greater. In May 2025, Horacio Marín, CEO of Argentina’s national oil company YPF, called Vaca Muerta “a sleeping giant,” and emphasized that “it is a national objective” to quadruple its production.²⁴⁹ Marín was hand-picked by Javier Milei,²⁵⁰ the president who dismissed climate scientists as “lazy socialists.”²⁵¹ Both Milei and Ricardo Markous, the CEO of Tecpetrol, have claimed that Vaca Muerta could continue operating for the next 150 years.²⁵² But as Markous explains, the first barrier to overcome “is to build the pipelines.”²⁵³ Led by YPF, around a dozen oil and gas companies are working in tandem to build the infrastructure that would unleash the giant.

²⁴⁸ <https://www.thinkbrg.com/thinkset/the-key-to-making-argentina-an-energy-transition-powerhouse/>

²⁴⁹ <https://www.prensa-energetica.com.ar/Prensa-Energetica-Nota-503.html>

²⁵⁰ <https://www.spglobal.com/commodity-insights/en/news-research/latest-news/crude-oil/112423-argentina-president-elect-picks-horacio-marn-to-run-ypf-in-run-up-to-selling-state-shares>

²⁵¹ <https://www.washingtonpost.com/climate-environment/2024/11/14/argentina-paris-climate-agreement-withdrawal/>

²⁵² <https://www.tecpetrol.com/en/news/2024/propymes-seminar-2024>

²⁵³ <https://www.tecpetrol.com/en/news/2024/markous-energy-forum>



At the re-opening of the Trans-Andean Oil Pipeline, Milei stated that Vaca Muerta could supply Argentina's energy needs for another 150 years. © Dr Morley Read / Shutterstock

Communities living in the eastern part of Neuquén Province are acutely aware of the dangers of waking a sleeping giant. Over 548 earthquakes were registered here since 2018, damaging buildings and homes, and instilling fear into people's daily lives. The seismologist Javier Grosso, warns that *"pipelines, wells, towers, reservoirs, tanks, pools, jetties and roads are all deteriorating,"* increasing the risk of accidents, fires and spills, which could contaminate the region's water resources with highly polluting fracking waste.²⁵⁴ Unleashing production in Vaca Muerta will, however, have repercussions all around the world. A study by 350.org Argentina shows that if Vaca Muerta's hydrocarbons are fully exploited and burned, they will eat up 11.4% of our remaining global carbon budget for 1.5°C.²⁵⁵

The 2 most important pipelines, which could "remove the bottleneck" as Horacio Marín says, will connect Vaca Muerta with the San Matías Gulf. One is the proposed Argentina LNG gas pipeline that would feed the LNG export hub that YPF, Shell, Eni, and their partners are planning in the San Matías Gulf. The exact route for the pipeline has not been announced, but according to the digital news service Infobae, it would have a transport capacity of 50 million cubic meters

²⁵⁴ <https://dialogue.earth/en/energy/fracking-earthquakes-and-impunity-the-recipe-for-a-sacrifice-zone-in-argentina/>

²⁵⁵ <https://350.org/vaca-muerta-is-a-carbon-bomb/>

per day, which is almost twice the capacity of the Perito Moreno Pipeline, Argentina's largest domestic gas pipeline.²⁵⁶

The second pipeline is the 437 km Vaca Muerta Oleoducto Sur (VMOS), which will carry 550,000 barrels of oil per day to San Matías Gulf, where it would be exported via very large crude carrier ships.²⁵⁷ Scheduled to start operations in 2026, the VMOS pipeline is a joint venture of 8 companies, including Shell and Chevron, and led by YPF. In July 2025, JPMorgan, Citi, Deutsche Bank, Itaú, and Santander arranged a US \$2 billion loan for the VMOS pipeline.²⁵⁸ According to JPMorgan, this *“is the largest project financing and commercial loan in Argentina’s history.”* The bank also notes: *“With many more infrastructure projects in the country aiming to revitalize the oil and gas industry, the real benefits of the deal are still in the future.”*²⁵⁹ *“Supporting a pipeline that forfeits the irreplaceable biodiversity of the San Matías Gulf and speeds us towards the dystopian future described in IPCC reports? This may benefit the banks’ loan books, but it is truly an environmental crime,”* says Ariel Slipak from FARN.

Everything is Big in Brazil

Brazil also has its eyes on fracked gas from Vaca Muerta. In late 2022, the Brazilian development bank BNDES put US \$689 million into extending Argentina's Perito Moreno pipeline.²⁶⁰ As Brazil's Finance Minister Fernando Haddad explained to journalists: *“When gas is explored, whether in Brazil or abroad, if the final destination is Brazil, we will buy the gas. And this gas is the guarantee of the investment itself.”*²⁶¹

Brazil is “all in” where gas is concerned. In 2024, the country relied on imports for around 25% of its gas supply,²⁶² but demand is rapidly growing as the Lula government views fossil gas as a cornerstone of its industrialization and its energy strategy.²⁶³ Brazil accounts for three-quarters of Latin America's LNG import capacity expansion and more than half of the region's gas-fired power expansion. Integrating all of this planned infrastructure will require over 3,700 km of new gas pipelines. The country's largest project, the 893-kilometer Central Brazil Gas Pipeline, will deliver fuel to 4 proposed gas-fired power plants along its route from São Carlos in São Paulo

²⁵⁶ <https://www.infobae.com/economia/2025/06/19/las-petroleras-argentinas-analizan-construir-la-mayor-obra-de-infraestructura-de-la-region-para-exportar-el-gas-de-vaca-muerta/>

²⁵⁷ <https://www.rystadenergy.com/insights/soaring-vaca-muerta-output-drives-argentina-oil-export-revenues>

²⁵⁸ <https://www.mayerbrown.com/en/news/2025/07/mayer-brown-advises-chevron-on-2-billion-syndicated-loan-financing-for-oil-pipeline-project-in-argentina>

²⁵⁹ <https://www.jpmorgan.com/insights/banking/investment-banking/vmos-argentina>

²⁶⁰ <https://www.reuters.com/world/americas/argentina-gets-689-mln-brazil-development-bank-vaca-muerta-pipeline-2022-12-12/>

²⁶¹ <https://en.clickpetroleogas.com.br/gas-natural-da-argentina-polui-ainda-mais-do-que-o-gas-do-brasil-a-reserva-de-vaca-muerta-na-argentina-explora-o-gas-xisto-no-brasil-justica-vetou-esse-tipo-de-extracao/>

²⁶² <https://www.iea.org/countries/brazil/natural-gas>

²⁶³ <https://argusmedia.com/de/news-and-insights/latest-market-news/2525461-viewpoint-brazil-envisions-expanded-gas-role-in-2024>

State to the capital, Brasília.²⁶⁴ According to research by ARAYARA, the pipeline and associated power plants could occupy land equivalent to 2,000 soccer fields and threaten the sources of 70% of the country's water basins.²⁶⁵

Latin America's Longest Pipeline

Latin America's longest pipeline is planned in Peru. The proposed 923-kilometer Southern Expansion Pipeline is owned by Transportadora de Gas del Perú (TGP), and backed by Algeria's Sonatrach and Spain's Enagás – as well as Canada's pension fund CPP Investments which, however, recently decided to sell its stakes.²⁶⁶

The pipeline will transport gas from Peru's largest gas field, Camisea, to the country's southern coastal regions. Camisea has been producing for over 20 years, but most of its gas has been destined for export,²⁶⁷ leaving only Lima and a handful of coastal cities with access.²⁶⁸ The Southern Expansion Pipeline is promoted as a project that will bring 'savings' to 39% of families along Peru's southern coast and supply multiple power plants.²⁶⁹ Yet buried beneath these promises of public benefit is another goal: enabling the construction of a new petrochemical plant in the region.²⁷⁰ At a cost of US \$2 billion, the project will lock southern Peru into long-term dependence on fossil gas, even though studies indicate that renewable alternatives could generate over 80% of the country's electricity by 2030.²⁷¹

In the Province of La Convención, where Camisea is located, inhabitants have seen nothing of the gas wealth extracted from their region. Even a district like Megantoni, which received more royalties from Camisea than any other district in La Convención, there is no sewage or drinking water system and many households still lack electricity. Two out of five children under the age of 5 suffer from chronic malnutrition and poverty is rampant.²⁷² For the local population, the Camisea gas fields have brought only deforestation, declining fish stocks, diseases, and pollution.²⁷³ Since going online in 2002, the associated Camisea Gas Pipeline has leaked

²⁶⁴ <https://arayara.org/arayara-na-midia-o-cerrado-comemora-seu-dia-mas-o-bioma-esta-ameacado-por-quatro-termeletricas-a-gas-e-um-mega-gasoduto/>

²⁶⁵ <https://arayara.org/arayara-na-midia-o-cerrado-comemora-seu-dia-mas-o-bioma-esta-ameacado-por-quatro-termeletricas-a-gas-e-um-mega-gasoduto/>

<https://arayara.org/arayara-na-midia-quatros-termeletricas-a-gas-e-um-mega-gasoduto-colocam-o-cerrado-em-risco-critico/>

²⁶⁶ <https://www.cppinvestments.com/newsroom/cpp-investments-agrees-to-sell-stake-in-peruvian-energy-infrastructure-company-tgp-to-eig/>

²⁶⁷ <https://ojoalclima.com/articulos/19-anos-de-camisea-y-el-fracaso-de-la-masificacion-del-gas-en-peru>

²⁶⁸ <https://elcomercio.pe/economia/dia-1/dina-boluarte-promesas-incumplidas-que-fue-de-la-petroquimica-el-sit-gas-y-la-masificacion-del-gas-de-camisea-informe-gas-hidrocarburos-minem-hogares-zonas-altoandinaas-petro-peru-noticia/>

²⁶⁹ <https://www.investinperu.pe/es/pi/detail-news/transportadora-de-gas-del-peru-evalua-acelerar-in>

²⁷⁰ <https://www.tgp.com.pe/noticias/gas-natural-para-transformar-el-sur-del-peru/#>

²⁷¹ <https://www.enelamericas.com/en/media/news/d202209-peru-could-achieve-81--renewable-energy-capacity-by-2030.html>

²⁷² <https://dialogue.earth/en/energy/at-perus-largest-gas-field-communities-still-lack-energy-access/>

²⁷³ https://wwf.panda.org/discover/knowledge_hub/where_we_work/amazon/amazon_threats/other_threats/oil_and_gas_extraction_amazon/camisea_amazon/

multiple times, causing injuries²⁷⁴ and contaminating the waters and lands of nearby Machiguenga villages.²⁷⁵ The experience of communities near the Camisea gas fields embodies a pattern that can be seen all across Latin America: The map of fossil fuel extraction coincides with the map of poverty.

Case Study: The Pipe-Dreams of Ecuador and Peru

Pipelines are built to move oil and gas from one end to the other. They cross countries and borders, rivers and lakes, stretching for hundreds or even thousands of kilometers. But the oil does not always reach its destination: Along the way, it often leaks, poisoning ecosystems and the people who depend on them.

The North Peruvian Pipeline (ONP) averages 146 oil spills a year — roughly one spill every three days along its 1,100-kilometer route. Each spill contaminates the soil and water, harming animals and the communities that live nearby. The pipeline’s owner, Petroperú, has neglected its maintenance for over 4 decades.²⁷⁶



An oil spill flows down Chuuntsa Creek in the Peruvian Amazon. © Amazon Watch

The ONP is old, prone to leaks and ready for retirement. Yet instead of shutting it down, the Peruvian government has been exploring another option with its petrostate neighbor, Ecuador.

²⁷⁴ <https://news.mongabay.com/2006/03/camisea-pipeline-leaks-in-rainforest-of-peru/>

²⁷⁵ <https://es.mongabay.com/2018/02/peru-derrame-gas-natural-pueblos-indigenas/>

²⁷⁶ <https://news.mongabay.com/2024/04/outdated-infrastructure-and-oil-spills-the-cases-of-colombia-peru-and-ecuador/>

The pipeline runs near the border, and Ecuador has long sought new ways to export its Amazonian oil. Peru has the pipeline, Ecuador has the crude — destruction going hand in hand. This “pipe-dream” has been around since 1998, when both countries signed peace accords.²⁷⁷

Ecuador is already the largest onshore producer of crude oil in the Amazon, despite having the smallest share of the rainforest.²⁷⁸ To expand production, the government wants to auction 7 new oil blocks in the *Ronda Suroriente*.²⁷⁹ The bidding round covers more than 1 million hectares of rainforest and overlaps at least 6 Indigenous territories.²⁸⁰ The area currently has no oil production and lies far from Ecuador’s existing pipelines and industrial infrastructure.²⁸¹

3 Bad Options

To move oil out of the rainforest, Ecuador is considering 3 potential routes, leading either to its own Esmeraldas refinery or across the border to Peru’s Talara refinery. Linking to Talara would require cooperation with Peru and access to the ONP. With Peru’s oil production in decline, the ONP is running well below capacity, and the refinery is increasingly reliant on costly imports.²⁸² Ecuador’s heavy, sour crude could help fill the gap, though it would also drag down the overall market value of the oil mix. In 2024, Presidents Daniel Noboa and Dina Boluarte signed an oil cooperation agreement, pledging to explore the option of transporting Ecuadorian crude through Peru.²⁸³

The Northeastern route would cross the titled territories of the Shiwiar, Kichwa, Sápara, and Waorani nations – all of whom have publicly opposed oil operations on their lands since the early 2000s. Production would begin in Block 86 and extend to Block 83, which has been under force majeure since 2019 due to the strong resistance of the Sápara people against oil production.²⁸⁴ The pipeline then proceed to Lago Agrio, the epicenter of Ecuador’s oil operations, to connect with the national pipeline grid.

The third option would link to Block 43, also known as ITT, and pass through Yasuní National Park, one of the most biodiverse areas in the world. The park harbors more tree species than the United States and Canada combined, and supports around 600 bird species, 220 mammal species, and an extraordinary variety of amphibians, reptiles and insects. It is also home to the Tagaeri and Taromenane peoples, who live in voluntary isolation within and around the park.

²⁷⁷ <https://www.reuters.com/world/americas/peru-ecuador-join-efforts-security-oil-integration-2024-07-04/>

²⁷⁸ Amazon Watch, 2025: “Drilling Toward Disaster: Amazon Crude and Ecuador’s Oil Gamble”, p. 3

²⁷⁹ <https://www.primicias.ec/economia/gobierno-daniel-noboa-hoja-ruta-sector-petroleo-inversion-privada-103170/>

²⁸⁰ Amazon Watch, 2025: “Perforando hacia el desastre” - <https://amazonwatch.org/assets/files/2025-perforando-hacia-el-desastre.pdf>

²⁸¹ Amazon Watch, 2025: “Drilling Toward Disaster: Amazon Crude and Ecuador’s Oil Gamble”, p. 6

²⁸² Amazon Watch, April 2024: “Assessing Petroperú’s Financial, Legal, Environmental, and Social Risks.” - <https://amazonwatch.org/assets/files/2024-04-petroperu-risk-alert.pdf>

²⁸³ “Noboa y Boluarte firman acuerdos contra la inseguridad y impulsar el empleo,” *Agencia EFE*, July 4, 2024, <https://efe.com/mundo/2024-07-04/noboa-boluarte-firman-acuerdos-contra-inseguridad-empleo/>

²⁸⁴ Amazon Watch, 2025: “Drilling Toward Disaster: Amazon Crude and Ecuador’s Oil Gamble”, p. 11

Yasuní serves as a corridor through which several uncontacted Indigenous peoples move, and the Ecuadorian government is legally bound to protect their lives and lands.²⁸⁵



Toxic oil everywhere: The Oleoducto de Crudos Pesados (OCP) in Ecuador has a long track record of oil spills. © Mauricio Rosenfeld/Amazon Watch



Cleaning up the area after a devastating oil spill in January 2022 when the OCP Pipeline in Ecuador ruptured. © Mauricio Rosenfeld/Amazon Watch

Keep It in the Ground: The Yasuní Referendum

The fact that the Yasuní route is even being considered is a slap in the face of Ecuador's citizens. In August 2023, a nationwide referendum was held to determine the future of 3 oil fields located in Yasuní National Park. The vote followed decades of campaigning by Indigenous peoples and

²⁸⁵ <https://amazonwatch.org/news/2023/0816-amazons-yasuni-referendum-a-yes-for-life-and-a-future-without-fossil-fuels>

civil society organizations, and its outcome was remarkable in a country where oil still accounts for around one-quarter of exports.²⁸⁶ 59% of Ecuadorians voted to leave hundreds of millions of barrels of oil in the ground in Yasuní. The referendum mandates the closure of 247 active wells in the Ishpingo, Tambococho, and Tiputini (ITT) oil fields and halts all plans for future extraction. It also requires authorities to dismantle pipelines and drilling infrastructure and to restore previously affected areas. Helena Gualinga, a young activist and defender of the Indigenous people of Sarayaku, commented: “*Today Ecuador is taking a historic step, celebrated worldwide. We are seen as environmental and climate leaders, exercising democracy over our future.*”²⁸⁷

Ecuador’s Constitutional Court gave the government one year to end oil activities, dismantle infrastructure, and remediate and restore the area.²⁸⁸ Similarly, in September 2024, the Inter-American Court of Human Rights ruled that continued operations in the block violated the rights of the Tagaeri and Taramenane Indigenous peoples and ordered the State to close the wells by March 2026.²⁸⁹

To date, however, the state-run oil company Petroecuador has only closed 10 wells and was still producing 44,000 barrels per day from ITT wells as recently as May 2025.²⁹⁰ In December 2024, the company stopped reporting specific production figures from the ITT wells, instead combining them with totals from neighboring fields.

President Noboa campaigned on a promise to keep oil in the ground in the ITT fields. Once in office, however, he moved in the opposite direction and strived to keep oil flowing for as long as possible. To cloak his actions in the language of national security, Noboa has invoked the country’s narco- and gang- violence crisis to justify delaying implementation of the referendum. In 2024, his administration even warned that cutting oil revenues could fuel further instability, laying the ground for a potential “moratorium” on carrying out the people’s decision.²⁹¹

UN experts, civil society, and Indigenous leaders have denounced the government’s violation of the court order. “*The decision of the Ecuadorian people was a relief for the Waorani people, because they see that for six decades, oil has not been a development, but has brought death. There has been no political will to guarantee the rights of the Ecuadorian people that the ballot boxes decided,*” said Juan Bay, president of the Waorani organization NAWA.²⁹²

²⁸⁶ <https://www.elibrary.imf.org/downloadpdf/view/journals/002/2024/358/article-A007-en.pdf>

²⁸⁷ <https://www.youtube.com/watch?v=S7YbAvmMD7U>

²⁸⁸ <https://apnews.com/article/ecuador-amazon-referendum-oil-drilling-yasuni-waorani-e0bef379181d044c7b8cfc258daccafd>

²⁸⁹ https://www.corteidh.or.cr/docs/casos/articulos/resumen_537_esp.pdf

²⁹⁰ <https://havanatimes.org/news/ecuador-fails-to-comply-with-referendum-closing-oil-wells/>

²⁹¹ <https://amazonwatch.org/news/2025/0122-yasuni-a-global-climate-victory-at-risk>

²⁹² <https://apnews.com/article/ecuador-amazon-referendum-oil-drilling-yasuni-waorani-e0bef379181d044c7b8cfc258daccafd>

The political will is directed elsewhere: In August 2025, President Noboa’s administration unveiled its new oil roadmap at a closed-door event in Quito titled “Kickoff of Investment: Boosting the Hydrocarbon Potential of Ecuador”. The plan outlines 49 projects in the oil sector, for which the government is seeking over US \$47 billion in investments.²⁹³ During the 20th Annual Oil and Gas Meeting in September 2025, Ecuador highlighted its intention to prioritize gas infrastructure, including LNG, pipelines, and refinery modernization. From 2030 onwards, the government has announced it will focus on “an orderly transition, and diversification of the energy mix.”²⁹⁴ *“Pouring money into fossil fuel infrastructure today, is the opposite of an ‘orderly transition’. Every new pipeline steals time we don’t have, locks us deeper into oil and gas, and pushes the climate bill onto the next generation,”* comments Kevin Koenig, Climate, Energy, and Extractive Industry Director with Amazon Watch.

A few weeks after the roadmap was unveiled, Ecuador’s Energy and Finance Minister Sariha Moya traveled to New York to court private banks, announcing plans to issue a bond backed by a multilateral bank guarantee.²⁹⁵ But the Noboa government’s hydrocarbon roadmap is only a piece of paper. Decisions in bank boardrooms will determine whether its pipe-dream to squeeze the last oil and gas reserves from Ecuador’s rainforests moves forward. “We reject this future,” said Silvana Nihua of the Kiwaro community. “We want to shape our own destiny, to live well in our forests.”²⁹⁶ The Yasuní referendum showed a new way forward: a democratic decision to keep oil in the ground and protect the forest and its peoples. That choice must be honored.



People in Ecuador are still waiting for Noboa's government to close the wells in Yasuní National Park. © Amazon Watch

²⁹³ <https://www.primicias.ec/economia/gobierno-daniel-noboa-hoja-ruta-sector-petroleo-inversion-privada-103170/>

²⁹⁴ <https://primeraplana.com.ec/quito-acoge-el-xx-encuentro-anual-de-petroleo-y-gas-enaep-2025/>

²⁹⁵ <https://www.bloomberglinea.com/latinoamerica/ecuador/ecuador-presenta-su-plan-economico-a-bancos-en-nueva-york-en-medio-de-un-paro-nacional/>

²⁹⁶ <https://insideclimatenews.org/news/27042025/ecuador-indigenous-land-rights-oil-drilling/>

Gas-Fired Power Expansion: Burning Latin America's Future

To achieve net-zero by 2050, the International Energy Agency warns that the global power sector must reach net-zero emissions around 2040.²⁹⁷ Gas-fired power plants take us far away from this goal: What companies call “natural” gas is up to 90% methane, a greenhouse gas 86 times more potent than CO₂.²⁹⁸ To fuel a gas plant, the gas must first be extracted, processed and transported through pipelines. It may also have to be liquefied for shipment and then regasified before it is ultimately burned in a power plant. These lifecycle emissions can make gas even more harmful than coal.²⁹⁹

In Latin America and the Caribbean, gas-fired power plants frequently depend on imported fuel, leaving countries vulnerable to volatile global markets and sudden geopolitical shifts. Brazil, Colombia, the Dominican Republic, Ecuador, and Nicaragua are not only expanding their gas-fired power capacity, but racing to build LNG import terminals. Recent global crises underscore just how volatile and risky this dependence can be. Renewables like solar and wind are not only cleaner and cheaper,³⁰⁰ they free countries from reliance on imported fuel and strengthen energy sovereignty. As UN Secretary-General Antonio Guterres noted in July 2025, *“There are no price spikes for sunlight, no embargoes on wind. The greatest threat to energy security today is fossil fuels.”*³⁰¹

Latin America and the Caribbean have enormous solar and wind potential, and countries like Uruguay and Chile show how rapidly a transformation can take place: Over the past 5 years, the share of renewables in Chile's electricity generation rose from 47% to 70%,³⁰² and is expected to rise to 90% by 2030.³⁰³ 15 countries from the region have joined the RELAC (Renewables in Latin America and the Caribbean) initiative, which aims to reach at least 80% renewable electricity generation by 2030.³⁰⁴ But in 2024, the Inter-American Development Bank (IDB), which acts as a secretariat for RELAC, warned that “without significant changes in energy matrices and expansion plans, Latin America and the Caribbean will not reach the goal of net zero emissions by 2050.”³⁰⁵

²⁹⁷ IEA Net Zero By 2050, p.114

²⁹⁸ Global warming potential over 20 years

²⁹⁹ https://www.research.howarthlab.org/publications/Howarth_LNG_assessment_preprint_archived_2023-1103.pdf

³⁰⁰ <https://ourworldindata.org/grapher/levelized-cost-of-energy?time=2019.latest>

³⁰¹ <https://news.un.org/en/story/2025/07/1165460>

³⁰² <https://ember-energy.org/latest-updates/chile-surpasses-40-wind-and-solar-for-the-first-time-in-december/#:~:text=In%20total%2C%20renewables%20provided%2070,provided%2047%25%20of%20Chile's%20electricity.>

³⁰³ <https://theprogressplaybook.com/2024/11/26/chiles-renewable-energy-surge-pushes-coal-to-new-lows/>

³⁰⁴ <https://hubenergia.org/en/relac>

³⁰⁵ <https://www.iadb.org/en/news/energy-transition-latin-america-and-caribbean#:~:text=By%202030%2C%20member%20countries%20have,is%20derived%20from%20renewable%20sources.>

Although Latin America and the Caribbean generate a larger share of electricity from renewables than many other regions, fossil fuels still account for about one-third of the power mix.³⁰⁶ The region’s total fossil fuel power capacity stands at 155 GW, out of which 120 GW is gas-fired.³⁰⁷ In Mexico, Argentina, Bolivia, Jamaica, and Trinidad and Tobago, gas still provides the majority of electricity on the grid.³⁰⁸ And plans for new gas-fired power plants are underway in at least 12 countries, according to the Global Oil & Gas Exit List 2025. If realized, these projects would add more than 54 GW to the region’s gas-fired power fleet – a capacity increase of 45%.

Countries with the Biggest Gas-Fired Power Expansion Plans

Country	Gas-fired capacity expansion (MW)	Share of total gas power expansion in LAC
Brazil	35,341	65%
Mexico	11,180	21%
Colombia	3,740	7%
Dominican Republic	1,384	3%
Guyana	600	1%

Brazil is as ever the country of contradictions. Renewables already generate 80% of its electricity,³⁰⁹ and President Lula famously claimed that “Brazil will become the Saudi Arabia of renewable energy” by 2033.³¹⁰ Yet with 35 GW in planning, Brazil is also home to the world’s 4th largest gas power developer (and incidentally has more gas-fired power capacity in the pipeline than Saudi Arabia). If all of these plants are built, Brazil would almost triple its existing gas power fleet. *“There is not even a well-grounded and fair plan to phase out and retire the country’s fossil fuel plants. The Lula government is pursuing a risky and harmful fossil-fuels-forever strategy,”* says Alisson Capelli de Souza from ARAYARA.

³⁰⁶ <https://ember-energy.org/countries-and-regions/latin-america-and-caribbean/>

³⁰⁷ Global Energy Monitor: Global Oil & Gas Plant Tracker and Global Coal Plant Tracker, August 2025.

³⁰⁸ <https://ourworldindata.org/electricity-mix>

³⁰⁹ <https://ember-energy.org/countries-and-regions/brazil/>

³¹⁰ <https://www.gov.br/planaltot/en/latest-news/2023/11/brazil-will-be-the-saudi-arabia-of-renewable-energy-in-10-years-says-lula>



Eneva's gas-fired power projects threaten the Canaçari Lake region near the Santa Fe do Canaçari community in Silves, Brazil. © “_TI Indígena Gavião - Povo Mura - Gas Eneva (Bruno Kelly) (45)” by Amazônia Real, CC BY-NC-ND 2.0

Among the top 10 gas power developers in the region, 3 are headquartered abroad: the French EDF Group and the US-based companies Ceiba Energy and New Fortress Energy. 8 of the top 10 are expanding in Brazil. The largest gas power developer, however, is Mexico's state-owned Comisión Federal de Electricidad (CFE). Mexico is Latin America's second-largest hotspot for gas-fired power expansion, with more than 11,000 MW in development,³¹¹ and CFE is responsible for around four-fifth of this buildout.

³¹¹ GOGEL 2025, preliminary results

Companies with the Biggest Gas-Fired Power Expansion Plans in Latin America & the Caribbean

Company	HQ Country	Capacity (MW)	Planning projects in
Comisión Federal de Electricidad EPE (CFE)	Mexico	9,020	Mexico
Eneva SA	Brazil	7,644	Brazil
Porto Norte Fluminense SA	Brazil	3,400	Brazil
Nodo Energético del Norte de Colombia SA ESP (NENCOL)	Colombia	2,522	Colombia
Ceiba Energy LLC	USA	2,201	Brazil
Petróleo Brasileiro SA – Petrobras	Brazil	2,057	Brazil
Omega Engenharia Ltda	Brazil	2,050	Brazil
New Fortress Energy Inc	USA	1,900	Brazil, Nicaragua
Natural Energia Participações Ltda	Brazil	1,744	Brazil
Électricité de France SA (EDF Group)	France	1,713	Brazil

In February 2025, people took to the streets in Juanacatlán and nearby El Salto, after CFE announced that a new gas-fired power plant would be built in Juanacatlán.³¹² The communities felt betrayed. Just 6 years ago, a similar project, the La Charrería gas plant, had been cancelled after years of protests by the grassroots movement Un Salto de Vida.³¹³ On its Facebook page, Un Salto de Vida wrote: *“In 2019, the people of Juanacatlán rose up against the intentions of a few to sell our land, our health, and our peace of mind. We made our decision and said no. No more pollution, no more deaths, no more industries, and we said yes to our forest, yes to our streams, yes to wildlife, yes to a dignified life.”*³¹⁴

³¹² <https://theguadalajarareporter.net/index.php/news/news/guadalajara/62624-juanacatlan-pushes-back-as-controversial-power-plant-project-resurfaces>

³¹³ <https://labcsa.org/2025/02/13/vuelve-el-fantasma-de-la-termoelectrica-la-charrería/>
<https://www.reporteindigo.com/opinion/Termoelectrica-La-Charrería-la-lucha-ciudadana-20191220-0005.html>

³¹⁴ <https://www.facebook.com/photo?fbid=956052786676567&set=a.588374366777746>

Their anger comes from lived experience. El Salto and Juanacatlán are sacrifice zones: Weak oversight has allowed heavy industries to poison the Santiago River.³¹⁵ In 2020, the Inter-American Commission on Human Rights issued a strong warning about the serious and immediate risk to the health of people living near the river.³¹⁶ “People would need a lot of imagination to even think about what El Salto was like before. Environmental hells are industrial paradises,” says Enrique Enciso, from *Un Salto de Vida*.³¹⁷ Residents know what another 1,000 MW gas power plant would mean: more pollution, more strain on water, more climate damage, more health issues. Today, 33,000 people in Mexico die of air pollution every year.³¹⁸ When CFE’s plans for a new gas plant in Juanacatlán emerged, the uproar was so big that Mexico’s government was forced to promise not to locate the plant here. Now it is due to be built elsewhere in the Guadalajara region, but the exact location is still unknown.³¹⁹ All in all, CFE is planning 15 new gas-fired power plants across Mexico.

Hopes were high for a turn-around in Mexico’s energy policies when Claudia Sheinbaum, a climate scientist, became the country’s president in 2024. The country’s state-owned utility, however, continues to prioritize fossil gas over solar and wind, which currently account for only 5% of CFE’s power generation.³²⁰ This is all the more tragic as Mexico has the potential to become what energy thinktank Ember calls “a global solar superpower”. Recent advances in battery storage make it possible for sunny regions to now generate around-the-clock solar electricity, and Ember calculates that solar could provide 58% of Mexico’s electricity by 2030, and ultimately even 90%.³²¹ Mexico currently imports 70% of its fossil gas from the US, which makes the country highly vulnerable to fluctuating prices, exchange-rate volatility and possible supply disruptions.³²² In her inaugural speech in October 2024, Sheinbaum emphasized that “*Energy sovereignty is indispensable*,”³²³ but when it comes to CFE, energy sovereignty, the health of local communities and climate protection goals all seem to be dispensable.

³¹⁵ <https://labcsa.org/2025/07/02/rio-santiago-suman-53-muertos-por-contaminacion/>
<https://www.eleconomista.com.mx/estados/Rio-Santiago-donde-el-dinero-manda-sobre-la-salud-y-el-medio-ambiente-20210207-0002.html>

³¹⁶ <https://www.oas.org/es/cidh/prensa/comunicados/2020/MC70819.pdf>

³¹⁷ <https://causanaturamedia.com/en/notas/dependency-on-natural-gas-makes-el-salto-in-jalisco-sick>

³¹⁸ <https://copenhagenconsensus.com/publication/mexico-perspective-air-pollution>

³¹⁹ <https://www.milenio.com/politica/comunidad/cancelan-planta-en-jalisco-luego-de-protestas>

³²⁰ <https://www.cfe.gob.mx/finanzas/financiamiento>

[information/Quarterly%20Investor%20Presentations%20Doc/2024/100325_4T24_Versión%20inglés.pdf#:~:text=%20Installed%20Capacity*%20*%2070%2C412%20MW.%20*,energy%2C%20by.%20*%20technology%20type:%2022%2C946%20MW.](https://www.cfe.gob.mx/finanzas/financiamiento/information/Quarterly%20Investor%20Presentations%20Doc/2024/100325_4T24_Versión%20inglés.pdf#:~:text=%20Installed%20Capacity*%20*%2070%2C412%20MW.%20*,energy%2C%20by.%20*%20technology%20type:%2022%2C946%20MW.)

³²¹ <https://ember-energy.org/latest-insights/falling-battery-costs-can-unleash-mexicos-full-solar-potential-and-boost-energy-security/>

³²² <https://www.fitchratings.com/research/corporate-finance/mexicos-reliance-on-us-natural-gas-to-grow-amid-rising-trade-tensions-20-02-2025>

³²³ naturalgasintel.com/news/mexicos-claudia-sheinbaum-takes-office-set-to-continue-amlos-natural-gas-energy-plan/

Gas plants in the Brazilian Amazon

Eneva is the second-largest gas-fired power developer in Latin America & the Caribbean, and the largest onshore gas operator in Brazil.³²⁴ The company is planning new gas power plants in the Brazilian states of Espírito Santo, Sergipe, Maranhão, Ceará, and Amazonas – many of which are rightfully described as “megaprojects”.

In the state of Amazonas, Eneva has built a sprawling industrial complex in the middle of the rainforest, where it extracts gas from its Azulão field. The gas is destined for Boa Vista, the capital of Roraima, the only Brazilian state not connected to the electricity grid. After extraction, the raw gas is processed to remove impurities, liquefied by cooling it to -162°C, and then transported in cryogenic tanks over 1,100 km to the Jaguatirica II power plant in Boa Vista.³²⁵ Nearby communities fear accidents when convoys of 10 trucks or more come barreling down the road with their cargos of gas from Azulão.³²⁶

Eneva’s Azulão complex is one of the most harmful projects in the Amazon. Covering an area of 57.7 km² near the Amazon River, it consists of three exploration blocks, a mature gas field, a gas processing plant and 950 MW of new gas-fired power plants under construction.³²⁷ The site lies in the heart of Indigenous territories that remain undemarcated, due to “staff shortages” in the relevant agency as journalists were told.³²⁸ A survey by the Pastoral Land Commission (*Comissão Pastoral da Terra, CPT*) identified fifty riverside communities in the Silves and Itapiranga area, where the project is based. Yet both the company and the state government refuse to acknowledge the presence of these Indigenous communities.³²⁹

Indigenous leaders estimate that at least 1,500 Indigenous people are affected, but as Rosa da Silva Marques, chief of the village of Vila Barbosa, says: *“They never came here to explain to us what it is. We only know when someone goes to Silves, in the city, and talks to acquaintances. What we do know is that there may be chemical business that could affect the water we use and drink.”*

³²⁴ <https://arayara.org/wp-content/uploads/2024/06/Relatorio-Coalizao-Energia-Limpa.pdf> , page 32

³²⁵ <https://eneva.com.br/en/jaguatirica-ii/>

³²⁶ <https://amazoniareal.com.br/especiais/btg-pactual-apaga-os-indigenas/>

³²⁷ https://eneva.com.br/wp-content/uploads/2025/06/RI_Eneva2024_v1806_FV_PT_com-carta.pdf

³²⁸ <https://latinamericanpost.com/business-and-finance/indigenous-mura-fight-gas-extraction-in-the-amazon-rainforest/>

³²⁹ <https://amazoniareal.com.br/especiais/btg-pactual-apaga-os-indigenas/>



Rosa da Silva Marques is the chief of the village of Vila Barbosa. © “Eneva Campo Azulao Mura” by Amazônia Real, CC BY-NC-ND 2.0

Jonas Mura, chief of the Gavião Real 1 village and the spokesperson for the Indigenous Peoples of Silves, recalls his shock when the drilling began: *“We only found out about it when Eneva’s machines arrived here. The drilling came two or three kilometers close to the communities. We started to see trees being cut down, huge clearings in the forest. We were afraid they would contaminate the river. People didn’t know what it was.”*³³⁰ According to Chief Mura, Eneva felled more than 100,000 trees in the exploration blocks. And even the company’s environmental impact assessment acknowledges the danger of *“changes in the quality of surface and groundwater that are related to possible accidents involving oil or fuel/lubricant leaks from motor vehicles used in the activities.”* For the Mura people, whose livelihoods depend on hunting and fishing, such impacts are disastrous.

When Chief Mura began organizing Indigenous resistance in the region, it was only a matter of time before the threats started. *“I was getting messages from people saying this, but I thought it would never happen. One day, I had gone out fishing. When I looked, my house was on fire. They burned my house and left a sign there saying Jonas Mura will be next.”* He has joined the federal government’s Environmental Defender Protection Program, but still has to fear for his

³³⁰ <https://amazoniareal.com.br/especiais/btg-pactual-apaga-os-indigenas/>

safety. *"Nowadays, I don't say where I'm going, what time I'll arrive, or when I'm in the area or out. I don't stay anywhere for more than two days,"* says the Chief. ³³¹

The Mura People remain undeterred in the fight for their rights and have taken legal action against Eneva. In May 2025, a Federal Court ordered the immediate suspension of gas extraction activities in Azulão.³³² Yet, within weeks, the company managed to have the injunction overturned by the Federal Regional Court, allowing operations to resume.³³³ The judge's justification for the reversal was blunt: gas plants need a steady supply of fuel to keep running. Once fossil fuel infrastructure is built, destruction and human rights violations are locked in.



This is where Gavião Real, the village of Jonas Mura, is located. Eneva is drilling very close to the communities. © “_TI Indígena Gavião - Povo Mura - Gas Eneva (Bruno Kelly) (49)” von Amazônia Real, CC BY-NC-ND 2.0

³³¹ <https://noticias.uol.com.br/reportagens-especiais/silves-precariedade-e-embate-com-indigenas.htm>

³³² <https://megawhat.energy/oleo-e-gas/justica-determina-a-eneva-suspensao-de-atividades-em-azulao/>

³³³ <https://amazonasatual.com.br/desembargadora-derruba-ordem-que-impedia-eneva-de-explorar-gas-no-am/>

Chapter 4: The Money Trail



Members of the Articulation of Indigenous Peoples and Organizations of the Amazonas (APIAM) call on Brazilian banks to stop the financing of fossil fuel development in their territory. © Lucas Maia and Stand.earth

Sister Susan Francois is not your typical Citigroup shareholder. She belongs to the congregation leadership of the Sisters of St. Joseph of Peace, a Catholic order with a deep devotion to social justice. Though the activist nuns hold only a modest number of shares in the banking giant, they have become a big thorn in Citigroup’s side. Since 2022, the Sisters have filed shareholder resolutions to press Citigroup on the impacts of its oil and gas lending. As Sister Susan Francois explains: *“Pope Francis called on us to stand in solidarity with Indigenous peoples impacted by destructive extractive industries on their lands.”*³³⁴

Ahead of its 2025 shareholder meeting, Citigroup tried to silence the Sisters by filing a ‘no-action letter’ with the US Securities Exchange Commission (SEC). In March 2025, the SEC, however – perhaps through divine intervention – ruled in the Sisters’ favor.³³⁵ Their resolution was presented at Citi’s 2025 shareholder meeting by Olivia Bisa Tirko, president of the Indigenous Chapra Nation in the Peruvian Amazon. Bisa Tirko called on the bank to take responsibility for the harm its financing is causing:

“Major investors and financiers, such as Citigroup, have created an overwhelming oil debt in our country, Peru. Now, the pressure to repay this debt is pushing our government to open new oil

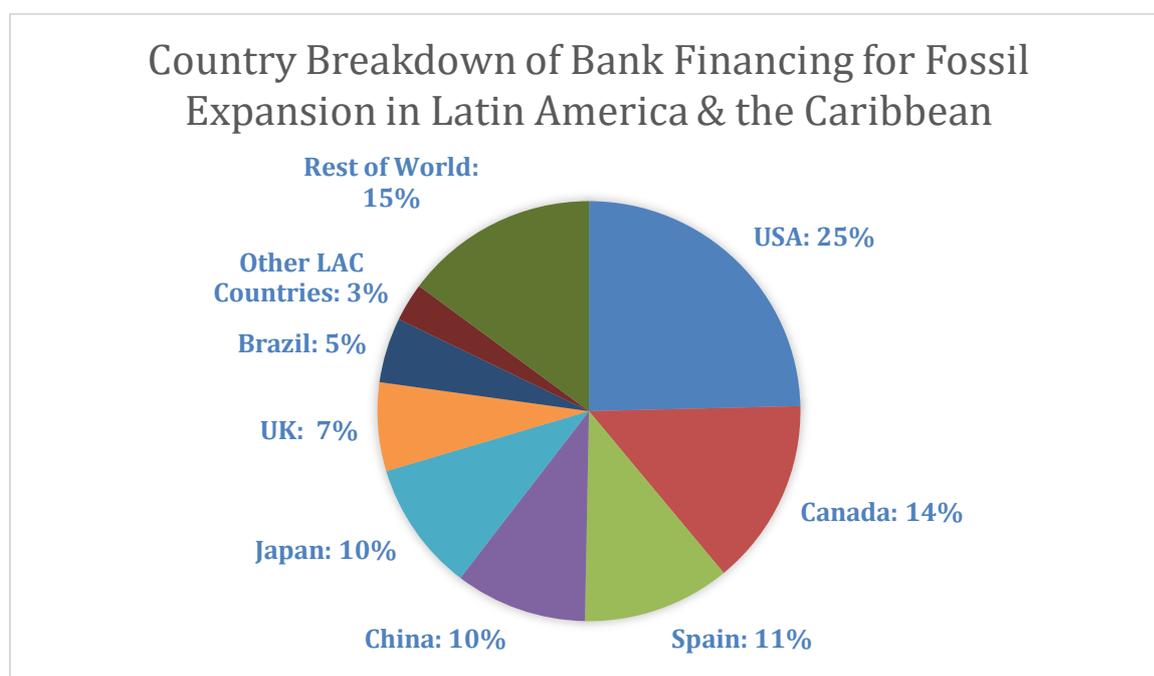
³³⁴ <https://stand.earth/press-releases/citi-wells-fargo-agms-2025/>

³³⁵ <https://religionnews.com/2025/03/20/sec-clears-investor-nuns-to-file-indigenous-rights-resolution-against-citigroup/>

blocks in our Amazonian territories and offshore waters. Oil is poison to us. Oil destroys everything in its path, biodiversity and human life. It worsens global warming and climate change. Financing oil companies, oil extraction in the Amazon, is financing death and destruction – our own self-destruction.”³³⁶

Commercial Banks

Fossil fuel expansion in Latin America and the Caribbean is driven by foreign money. The overwhelming share of finance comes from banks headquartered in Europe, the US, Canada, China, and Japan. Between 2022 and 2024, foreign banks provided 92% of fossil financing in the region, while Latin American banks provided only 8%. US banks alone accounted for 25%, followed by Canada with 14% and Spain with 11%. The first Latin American bank doesn't appear in the ranking until position 15.



The dominance of international banks also extends to state-owned oil and gas companies in the region. These are all heavily reliant on international funding. Petrobras' main lenders are Bank of China and Bank of America, while Pemex receives most of its financial backing from Citibank. Argentina's YPF is supported by Santander, and Colombia's Ecopetrol depends primarily on Scotiabank, JPMorgan Chase, and Spain's BBVA. Throughout the region, foreign banks play an outsized role in underwriting the pollution, destruction and human rights violations that are the hallmark of fossil fuel development.

³³⁶ <https://stand.earth/press-releases/citi-wells-fargo-agms-2025/>

Top 20 Bankers of Fossil Fuel Expansion in Latin America & the Caribbean

	Bank	Headquarter Country	Total* (US\$ million)
1	Santander	Spain	9,926.61
2	JPMorgan Chase	USA	8,112.65
3	Citigroup	USA	7,934.65
4	Scotiabank	Canada	7,193.20
5	Bank of America	USA	6,032.97
6	SMBC Group	Japan	5,475.02
7	Mizuho Financial	Japan	4,482.57
8	Banco Bilbao Vizcaya Argentaria (BBVA)	Spain	4,456.23
9	HSBC	UK	4,404.19
10	Morgan Stanley	USA	4,393.38
11	Mitsubishi UFJ Financial	Japan	3,619.85
12	Deutsche Bank	Germany	3,389.78
13	Barclays	UK	3,211.46
14	Royal Bank of Canada	Canada	3,093.69
15	Itaú Unibanco	Brazil	2,796.13
16	Bank of China	China	2,672.75
17	BMO Financial Group	Canada	2,608.65
18	Toronto-Dominion Bank	Canada	2,559.84
19	Wells Fargo	USA	2,164.58
20	BTG Pactual	Brazil	2,095.02

* Total figures cover both lending and underwriting.

Between 2022 and 2024, 297 banks channeled over US \$138 billion to companies developing new fossil fuel projects across Latin America and the Caribbean. Spain's Santander is the region's largest financier of fossil fuel expansion, despite only placing 18th in global rankings of banks by assets.³³⁷ Santander boasts that its headquarters in Madrid are "surrounded by nature" and that it offers amenities such as a golf course, a kindergarten, a swimming pool, and even a medical center for its employees.³³⁸ Ana Botín, whom Forbes calls "Europe's most powerful female banker," has served as the bank's executive chair for 11 years.³³⁹ In public, Botín has repeatedly spoken about the need for stronger climate action.³⁴⁰

Yet, Santander's actions tell a different story. Since 2022, the bank has provided US \$9.9 billion to fossil fuel companies in Latin America and the Caribbean, outspending even JPMorgan Chase and Citibank, the world's largest fossil financiers.³⁴¹ Santander serves as financial advisor to Mexico Pacific, the developer behind the controversial Saguaro LNG terminal in the Gulf of California, a project that would destroy one of the world's most biodiverse marine areas.³⁴² Pablo Montaña, director of Conexiones Climáticas, calls on the bank's executive chair: "*Ana Botín has the power to move billions of dollars out of fossil fuels. If she wants to be taken seriously on climate, she has to put her own house in order.*"

In July 2025, Santander was among 5 lead arrangers of a US \$2 billion loan for Argentina's most contested oil pipeline, the Vaca Muerta Oleoducto Sur. Just days before the deal was approved, the bank effectively rewrote its Environmental and Social Risk Management policy, removing the commitment to not finance "new oil upstream clients except for transactions for the specific financing for new renewable energy facilities."³⁴³ As Heffa Schücking, director of Urgewald, observes, "*This not only signals bad corporate citizenship, it also sends a warning to investors. A bank that conveniently drops its environmental commitments as soon as they get in the way of a deal, is not a bank whose promises investors should trust.*"

JPMorgan Chase was the second-largest financier of fossil fuel expansion in Latin America and the Caribbean, channeling US \$8.1 billion to the region between 2022 and 2024. Its largest client, Canada's TC Energy, received US \$1.7 billion. In May 2025, TC Energy completed the Southeast Gateway Pipeline, which transports fracked gas from the US to southeastern Mexico. Running close to spectacular coral reefs and sensitive coastal areas, the 715-km underwater

³³⁷ <https://www.spglobal.com/market-intelligence/en/news-insights/articles/2025/4/the-worlds-largest-banks-by-assets-2025-88424232>

³³⁸ <https://www.santander.com/en/stories/sgc-20-anniversary>

³³⁹ <https://www.forbes.com/lists/power-women/>

³⁴⁰ <https://www.linkedin.com/pulse/el-reto-es-solo-financiar-lo-que-ya-verde-sino-hacer-resto-bot%25C3%25ADn-/?trackingId=ckFc1Z%2BOT4i%2FcE4WKGyJxw%3D%3D>

³⁴¹ <https://www.bankingonclimatechaos.org/?bank=JPMorgan%20Chase#fulldata-panel>

³⁴² <https://mexicobusiness.news/energy/news/mexico-pacific-prepares-final-investment-decision>

³⁴³

https://www.banktrack.org/article/bank_policy_scan_banco_santander_is_backtracking_on_its_fossil_fuel_commitments

pipeline threatens ecosystems that Indigenous communities depend on for fishing and income from tourism.³⁴⁴

To preclude a shareholder resolution by faith groups – including the Sisters of St. Joseph of Peace – JPMorgan Chase agreed to adopt stricter financing criteria for projects impacting Indigenous peoples in April 2025.³⁴⁵ Whether the new criteria will actually impact the bank’s lending and underwriting portfolio remains to be seen.

Canadian banks play an outsized role in fossil fuel expansion in Latin America and the Caribbean. Scotiabank is the region’s 4th largest fossil fuel financier, although it is only the 37th largest bank worldwide.³⁴⁶ Its support extends beyond Canadian companies like TC Energy. Over the past 3 years, Scotiabank provided a total of US \$3.3 billion to state-owned fossil fuel companies like Ecopetrol in Colombia, Pemex and CFE in Mexico, Petrobras in Brazil and ENAP in Chile.



USA: Protest in Boston during the „National Day of Action to Stop Dirty Banks”, organized by the Third Act in March 2023.

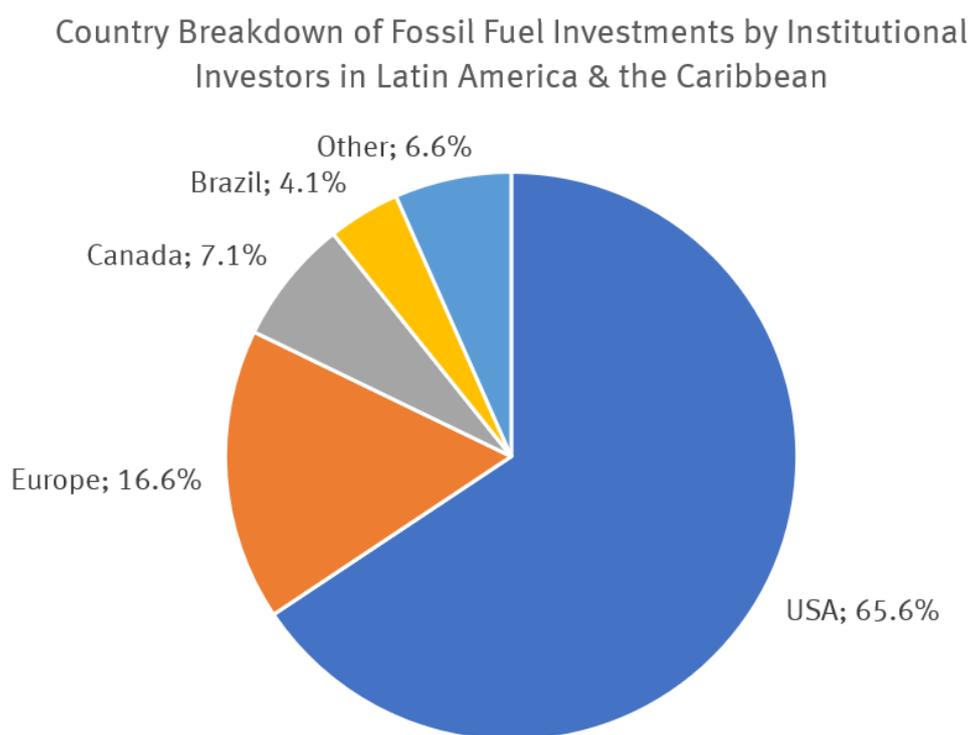
³⁴⁴ <https://news.mongabay.com/2024/07/conservationists-look-for-new-ways-to-fight-oil-pipelines-in-southern-mexico/>

³⁴⁵ <https://stand.earth/press-releases/investors-chase-climate-2025/>

³⁴⁶ <https://www.spglobal.com/market-intelligence/en/news-insights/articles/2025/4/the-worlds-largest-banks-by-assets-2025-88424232>

Institutional Investors

The money trail behind fossil fuel expansion in Latin America and the Caribbean also leads to the portfolios of sovereign wealth funds, pension funds, hedge funds, insurance companies, mutual funds and asset managers from all over the world. In June 2025, more than 6,400 institutional investors held US \$425 billion in shares and bonds of companies that are developing new fossil fuel assets in in the region.³⁴⁷ Strikingly, 96% of these investments are held by institutional investors from outside the region. US institutional investors play a dominant role and account for two-thirds of the identified share and bond holdings in the region’s fossil fuel developers. Next in line are European institutional investors with 17% of total share and bond holdings, and Canadian institutional investors with 7%.



The top 20 institutional investors in the ranking account for half of the total sum of institutional investments identified in this research. Out of the top 20 investors, 13 are from the US, 5 from Europe, 1 from Canada and 1 from Brazil.

The US investment giant Vanguard tops the list with holdings of US \$40.9 billion in fossil fuel developers in Latin America and the Caribbean. The world’s largest asset manager BlackRock is

³⁴⁷ Due to gaps in reporting requirements, our research likely only reflects 20% - 30% of institutional investors’ bond holdings in fossil fuel developers in Latin America and the Caribbean. Shareholding coverage is, however, nearly complete.

not far behind with US \$35.3 billion. The California-based Capital Group is the 3rd largest investor with US \$16.8 billion in holdings.

While global investors like BlackRock and Vanguard have holdings in over 60 fossil fuel developers in the region, some investors only show up in the top 20 ranking due to their outsized stakes in individual companies from their own country. For the Brazilian bank BNDES our research identified only one major position: the bank holds over US \$5 billion in Petrobras shares.

Top 20 Institutional Investors in Fossil Fuel Expansion in Latin America & the Caribbean

	Investor	Headquarter	Shareholding	Bondholding	Total in US\$ Million
1	Vanguard	USA	35,782	5,163	40,945
2	BlackRock	USA	30,521	4,733	35,254
3	Capital Group	USA	12,195	4,653	16,848
4	State Street	USA	16,284	396	16,680
5	Fidelity Investments	USA	8,190	3,933	12,122
6	JPMorgan Chase	USA	7,812	1,166	8,978
7	Geode Capital Holdings	USA	7,815	305	8,120
8	GQG Partners	USA	5,884	2,114	7,998
9	Royal Bank of Canada	Canada	6,894	976	7,870
10	Government Pension Fund Global (GPF)	Norway	6,245	764	7,008
11	Crédit Agricole (incl. Amundi)	France	5,962	640	6,602
12	La Caixa Group	Spain	6,006	91	6,098
13	Morgan Stanley	USA	5,380	288	5,668
14	UBS	Switzerland	4,870	672	5,541
15	Franklin Resources	USA	4,487	803	5,289
16	BNDES	Brazil	5,055	0	5,055
17	Bank of America	USA	4,972	68	5,039
18	CVC Capital Partners Group	UK	4,619	0	4,619
19	Dimensional Fund Advisors	USA	4,083	535	4,619
20	Global Infrastructure Management	USA	4,595	0	4,595

A Hard but Simple Truth

Some parts of the financial sector – particularly the insurance and reinsurance industry – have become increasingly vocal on the need for urgent climate action. In its annual assessment of natural catastrophes, the world’s largest reinsurer Munich Re notes: “Climate change showed its claws in 2024. Well over 90% of the total losses of US \$320 billion were caused by weather-related catastrophes. Many of the events witnessed are becoming more intense or more frequent.” Günther Thallinger, board member of the German insurance giant, warns: “We are fast approaching temperature levels – 1.5°C, 2°C, 3°C – where insurers will no longer be able to offer coverage for many of these risks. If insurance is no longer available, other financial services become unavailable too. A house that cannot be insured, cannot be mortgaged. This applies not only to housing, but to infrastructure, transportation, agriculture and industry. The economic value of entire regions – coastal, arid, wild-fire prone – will begin to vanish from financial ledgers. This is what a climate-driven market failure looks like.” Or as Frank Elderson, Member of the European Central Bank’s board puts it: “We can’t have price stability, financial stability or economic stability if we don’t have climate stability.”³⁴⁸

The hard, but simple truth is that we will lose the chance to preserve climate stability if financial institutions continue enabling the expansion of fossil fuel industries.

In 2021, the International Energy Agency developed a net-zero by 2050 scenario, which came to the conclusion that no new upstream oil and gas fields should be developed after 2021. Four years later in September 2025, 6 banks – each claiming commitment to achieving net-zero by 2050 – channel US \$2 billion to the biggest developer of new upstream oil and gas resources in Latin America. The banks aren’t bothered by the fact that the company – Petrobras – aims to increase its oil production by 32% by 2030.³⁴⁹ Instead of asking awkward questions about how this could ever align with a pathway towards net-zero emissions, the banks - Deutsche Bank, Santander, Citi, UBS, BBVA and Itaú Unibanco - underwrite 2 bonds whose proceeds Petrobras will use for ‘general corporate purposes’.³⁵⁰ Petrobras can do with this money whatever it likes, and what it likes are fossil fuels - these generate 98% of the company’s revenue. This case illustrates how most fossil fuel expansion is financed: by general corporate bonds or loans.

³⁴⁸ <https://www.cnbc.com/video/2023/12/05/no-economic-stability-without-climate-stability-says-ecb-board-member.html>

³⁴⁹ <https://globalwitness.org/en/press-releases/state-oil-company-ramping-up-production-as-brazil-readies-for-cop30-climate-talks/>

³⁵⁰ https://www.sec.gov/Archives/edgar/data/1119639/000110465925087755/tm2525348d1_424b2.html

Policies Without Grip

In 2025, Citigroup published an update of its ‘Environmental and Social Policy Framework’. At the beginning of the 22-page document, the bank writes “Climate change is one of the most critical challenges facing our global society and economy in the 21st century. The data is irrefutable, and the world’s climate scientists agree that urgent action must be taken (..).” Yet by the time, readers reach the oil and gas section on page 18, the urgency has dissipated. There is no mention of limiting oil and gas expansion, nor any expectation that oil and gas clients should conform to a Paris-aligned transition path. Notably, the word “climate” does not appear in the section that defines Citi’s approach to oil and gas financing.³⁵¹

The only restrictions that Citi imposes are weak project-level exclusions for oil and gas in the Arctic and the Amazon. On the latter, the policy says: “Citi does not provide project-related financial products or services for expansion of oil and gas operations in the Amazon due to sensitive biodiversity risks in the region and heightened risks. Any general corporate purposes transaction for clients with operations in the Amazon requires enhanced ESRM [Environmental and Social Risk Management] due diligence.”³⁵² Our research shows that this restriction is close to meaningless as project-related loans and bonds only account for around 5% of financial flows to oil and gas companies. When it comes to corporate oil and gas activities in the Amazon, all that remains is Citi’s ‘enhanced due diligence’.

A more accurate description of Citi’s due diligence track record in the Amazon would be “enhanced negligence”. In 2022, Citi and Santander – which claims to be “safeguarding the Amazon rainforest”³⁵³ – issued a bond for the Brazilian company Eneva. In Brazil’s Amazon State, Eneva is developing a major gas processing and energy hub deep in the rainforest near villages of the Indigenous Mura people. Eneva now extracts gas in areas where the Mura used to hunt and fish. When the Mura began asserting their rights to lands they have protected for centuries, several of their leaders were targeted with death threats.³⁵⁴ Chief Jonas Mura is one of them. He says: “*We need our lands demarcated, respect and space to speak and decide, but we know that as long as there is oil, we won’t have that. As long as we keep burning the planet with fossil fuels, there will be no real solution.*”³⁵⁵

³⁵¹ <https://www.citigroup.com/rcs/citigpa/akpublic/storage/public/Environmental-and-Social-Policy-Framework.pdf>

³⁵² <https://www.citigroup.com/rcs/citigpa/akpublic/storage/public/Environmental-and-Social-Policy-Framework.pdf>

³⁵³ <https://www.santander.com/content/dam/santander-com/en/documentos/esg-presentation/2025/do-sustainability-presentation-q1-25-en.pdf>

³⁵⁴ <https://agenciacenarium.com.br/sponsor-of-parintins-festival-eneva-is-targeted-by-mpf-for-threatening-indigenous-people-to-death/?lang=en>

³⁵⁵ <https://www.environewsigeria.com/activists-demand-fair-renewable-energy-transition-in-brazil-ahead-of-cop30/>



Santander is the top financier of fossil fuel expansion in Latin America. © weMove.eu

In its report, *Greenwashing the Amazon*, Stand.Earth found that most of the Amazon policies adopted by major banks offer little protection.³⁵⁶ As Todd Paglia, director of Stand.Earth says: *“Through deceptive policies and empty promises, many of these banks are attempting to greenwash fossil fuel extraction in the Amazon, and obscure the impacts of their investments. They claim to care about climate change, biodiversity, and Indigenous Peoples, but these commitments mean nothing if they continue funneling billions into oil and gas expansion in the region.”*³⁵⁷

Policies that Make a Difference

BNP Paribas is the world’s 8th largest bank and the largest in the EU. At its shareholder meeting In May 2024, the banking giant announced that it would no longer issue general corporate bonds for oil and gas producers. As BNP Paribas sees it: *“Banks have a major role to play by redirecting financing from the most carbon-intensive energy producers to those creating green energy.”*³⁵⁸ Within days, the world’s 9th largest bank, Crédit Agricole, followed suit. *“The fact that 2 global systemically important banks decided to stop underwriting the upstream expansion plans of oil*

³⁵⁶ <https://stand.earth/resources/greenwashing-the-amazon/>

³⁵⁷ <https://stand.earth/press-releases/environmental-and-social-policies-of-major-amazon-oil-and-gas-financiers-fail-to-protect-the-rainforest-and-its-peoples/>

³⁵⁸ <https://group.bnpparibas/en/our-commitments/transitions/energy-transition-and-climate-action>

and gas majors like Shell, BP, TotalEnergies and ExxonMobil sends a signal to the entire banking sector. This is what real climate action looks like,” comments Urgewald’s director Heffa Schücking.

In November 2024, BNP Paribas Asset Management followed the lead of its parent company and announced that it will no longer purchase new bonds issued by oil and gas exploration and production companies. BNP Paribas Asset Management is Europe’s second-largest asset manager since its acquisition of AXA IM in 2025. As Lara Cuvelier, sustainable investment campaigner at Reclaim Finance, notes: *“This is the first time that an asset management giant is aligning its bond investments with the climate imperative of halting upstream oil and gas expansion. It is truly a historic step as bonds are one of the most important modes of financing for fossil fuel companies.”*

Some banks, such as the Netherlands-based ING, have also decided to cease providing general purpose loans to oil and gas companies that continue expanding their upstream activities. As ING CEO Steven van Rijswijk told Reuters: *“If you're a pure play upstream oil and gas company, developing fields and extracting oil and gas, and if you continue to open new fields, we will stop financing you altogether.”*³⁵⁹ ING has also announced that it will no longer provide project finance for LNG terminals from 2026 onwards.

Over the past few years, more than 10 of the world’s largest insurers and reinsurers – including players like Allianz, Munich Re, Aviva, SCOR, and Zurich – adopted policies which exclude insurance coverage for new oil and gas fields. Several of these companies also exclude coverage of new oil pipelines and oil-fired power plants. To date, however, Italy’s Generali is the only insurer whose restrictions extend to midstream and downstream gas infrastructure, including LNG terminals and gas-fired power plants.³⁶⁰

More and more pension funds, insurance companies, and other asset owners are turning away from fossil fuels because they realize that the 5% of their portfolio that is invested in the old energy world ultimately puts the other 95% of their investments at risk. It is high time for these institutions to also turn away from banks such as Santander and JPMorgan Chase and asset managers such as BlackRock, whose continued investments in fossil fuel expansion are propelling us towards a 3°C world.

³⁵⁹ <https://www.reuters.com/sustainability/ing-bank-tightens-restrictions-oil-gas-lending-2024-09-18/>

³⁶⁰ <https://global.insure-our-future.com/generali-a-new-step-forward-in-the-fight-against-oil-and-gas-expansion/>

Conclusion

At the heart of the Paris Agreement is Article 2, which sets the goal of limiting global temperature increase to 1.5°C. Article 2.1(c) of the Agreement explicitly notes that the achievement of this goal requires “making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development.”³⁶¹

Nearly a decade after governments signed the Paris Agreement, the world has still failed to bend the emissions curve. *“Behind that failure is a money trail. It leads directly to the board rooms of financial institutions that, over the past decade put common sense and climate science aside, to go on financing fossil fuel expansion,”* says Schücking. *“If we want a different outcome for tomorrow, financial flows must serve the Paris goals, not the growth of the fossil fuel industry.”*

³⁶¹ https://unfccc.int/sites/default/files/english_paris_agreement.pdf