

## **Heritage resumes crude oil exports**

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State-owned Heritage Petroleum Company Ltd has resumed export of its crude oil after previously opting to store its oil rather than sell it at record low prices.

“We have resumed the exportation of crude and have attracted quite favourable interest and prices,” Heritage’s chairman Michael Quamina told Guardian Media yesterday.

In April, following a precipitous fall in crude prices, Heritage decided it was better to store its oil instead of selling it at a loss.

At that time oil futures crashed and crude was selling at US\$13 a barrel, the lowest in more than two decades.

It costs Heritage US\$25 to produce a barrel of oil according to Energy Minister Franklin Khan has previously said.

Both the Brent and West Texas Intermediate benchmarks yesterday rose to their highest since March.

Brent traded at over US\$40 a barrel while WTI traded at over US\$38.

Quamina said Heritage entered into contracts last month and started exporting earlier this month.

Oil prices crashed earlier this year as demand plummeted because of the slowdown of economic activity due to COVID-19.

“As per our 2020 plan, Heritage grew production to approximately 41,000 barrels of oil per day as we completed workovers and installed gas lift on offshore wells. Surface infrastructural activity including pipeline repair and replacement of motors added to production volumes as well,” Heritage stated in a release on April 20.

“This means that Heritage now produces approximately 1.2 million barrels of oil per month. As the oil price is expected to be in the low teens in this quarter, we are pursuing a strategy of storage of oil production which will be sold as the oil market improves.

“At present, Heritage’s storage capacity is approximately 3.5 million barrels which will allow the company to store approximately 2.5 months of production as some storage is also needed for settling and treating of the production to attain the correct saleable quality,” it stated.