

BAHAMAS SUSPENDS NEW OIL EXPLORATION LICENCES

The Bahamas government says it will not consider new oil exploration or drilling applications for the vast archipelago's waters until a "very stringent" environmental framework is put in place.

The environment ministry will also review existing licences in order to safeguard the 700 islands' marine environment in the wake of the April 20 Deep-water Horizon explosion in the Gulf of Mexico that led to the worst oil spill in US history.

The suspension affects London-listed company BPC PLC, which was formed to invest in an offshore exploration programme across 15,676 square kilometres (6,052 square miles) of Bahamian waters. There has been no drilling in the Bahamas for two decades, but BPC last month announced preliminary results of a seismic survey conducted on its licences near Cuba that it says show promising signs of hydrocarbons.

The company then applied to The Bahamas for exploration rights on an additional 3,600 square kilo-metres (1,389 square miles).

In a statement, BPC said that it will continue to explore its five existing Bahamian licences, most by the islands' marine borders with Cuba and that it expects the government's ban on new applications to be a "short-term situation."

The Bahamian ministry, which announced the suspension Monday, did not disclose on Wednesday when officials hope to have updated environmental rules in place. Elsewhere in the Caribbean, Canadian petroleum company

CGX Energy Inc. expects to begin drilling for oil and natural gas deposits along Guyana's eastern coast next year. Last month, Trinidad and Tobago signed a pact with Venezuela allowing shared exploration and exploitation of an offshore natural-gas field on their maritime border. For now, new deep-water drilling in US waters is under a temporary moratorium while Washington toughens environmental reviews after the Deepwater Horizon explosion killed 11 workers and led to 206 million gallons (780 million liters) of oil spewing from the undersea well.

Source: CEIS Update Sept 2010