

ENERGY COUNTRY REVIEW

# Guatemala

[keyfactsenergy.com](https://keyfactsenergy.com)

# Country Review Guatemala

Only slightly larger than the U.S. state of Tennessee, Guatemala is a mountainous country with one-third of the population living in cool highland villages. The coastal lowlands are warm and humid. The country is bordered by Mexico, Honduras, El Salvador, and Belize.

Guatemala became independent from Spain in 1821 and has had a varied history of alliances and civil wars including membership of the Federal Republic of Central America.

Guatemala is a politically stable country with a developing economy. Guatemala has enjoyed political stability since 1983 when the first free election for National Assembly (Congress) took place and a new constitution, currently in force was approved. In 1985 the first civil president was elected. Since that date, there have been six civilian presidents elected in free and democratic elections. Guatemala has enjoyed more than 30 years of stability, in the social, economic, and political sectors

Guatemala has a favourable business climate for oil companies. There is a base royalty of 20% on 30°API oil; royalty increases/decreases by 1% for each increase/decrease in API degree. In addition the corporate tax rate is 31% and there is cost recovery of 100% of capital expenditures.

## Oil

The country has produced heavy oil from a number of fields in two regions within the Peten Basin in the centre of the country, since 1976. Significant new prospects appear limited but the government is encouraging new exploration in an attempt to raise output. Without a suitable refinery most of its oil is exported to North America.

Guatemala has no offshore production and none is forecast off either coastline. The country produces and uses no gas.

---

## Country Key Facts

---

Official name:	Republic of Guatemala
Capital:	Guatemala City
Population:	16 856 938 (2016)
Area:	42,043 square miles (108,890 square kilometers)
Form of government:	Presidential Republic
Language:	Spanish
Religions:	Roman Catholic, Protestant, indigenous Mayan beliefs
Currency:	Quetzal
Calling code:	+502

# Country Review Guatemala

## Government

Guatemala is a presidential representative democratic republic. The President is both head of state and head of government and of a multi-party system. The president and vice president are elected and limited to one term. Legislative power is vested in the government and the Congress of the Republic. The 158-member Congress of the Republic is elected for a 4-year term.

The Guatemalan Ministry of Energy and Mines oversees and regulates the oil and gas industry in the country. Every licence must have state participation.

Current production in Guatemala is approximately 14,000 bopd with similar hydrocarbon geology to Mexico. The trends of major Mexican discoveries (such as the Nazareth Field) have been found to extend into Guatemala. The major producing basins, North Peten and South Peten, account for 90% of domestic production.

The first oil discovered in Guatemala was in 1971 at Tortugas in LAR's Block 1-2005.

Guatemala has a favourable business climate for oil companies. There is a base royalty of 20% on 30API oil; royalty increases/decreases by 1% for each increase/decrease in API degree. In addition the corporate tax rate is 31% and there is cost recovery of 100% of capital expenditures.

## Energy and Oil

- Mature market + delimited and specific legal framework.
- Potential reserves of 750 million barrels of oil; gas reserves of 330 k/p3/ per day and potential capacity to supply power to the national and regional markets.
- Optimal infrastructure in hydrocarbons storage, up to 600,000 barrels.
- 147 drilled oil wells + important connection of oil pipeline, 570 Km (354.2 mi) which connects to the main export port located on the Atlantic Ocean.
- Oil production of 10,945 barrels of crude oil per day in 2011, according to data from the Ministry of Energy and Mines. Most of this oil has been labeled as "heavy crude oil" (with API gravities between 10 and 22.3), and "bitter" (with a sulphur content percentage higher than 1%).
- The total production in the period 2001-2011 was 77.4 million barrels.